

R4

USAID/CENTER FOR ECONOMIC GROWTH AND AGRICULTURAL DEVELOPMENT

FY 2002
Results Review and
Resource Request (R4)

Prepared March, 2000,
Amended September, 2000

Please Note:

The attached RESULTS INFORMATION ("R2") is from the FY 2001 Results Review and Resource Request ("R4"), and was assembled and analyzed by the country or USAID operating unit identified on this cover page.

The R4 is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

Related document information can be obtained from:

USAID Development Experience Clearinghouse
1611 N. Kent Street, Suite 200
Arlington, VA 22209-2111
Telephone: 703/351-4006 Ext. 106
Fax: 703/351-4039
Email: docorder@dec.cdie.org
Internet: <http://www.dec.org>

Cover Memo

FOR THE ASSISTANT ADMINISTRATOR, GLOBAL BUREAU

This FY 2002 R-4 for the Center for Economic Growth and Agricultural Development (G/EGAD) presents a revised Strategic Framework to guide the Center's efforts over the FY 2002-2010 period. We are looking to the R-4 review process to give us feedback on this Framework. If there is general consensus on the directions we are heading, we plan to draft the complete Strategic Plan for formal review and approval.

Development of the Framework was an important first step towards addressing a perceived area for improvement of the Center -- i.e., to reduce "stove-piping" by building more cross-office linkages and synergies in the various economic growth and agricultural development programs we support. To implement the proposed framework, cross-Office Strategic Objective teams will be formed within the Center. Also, the Framework more clearly defines our manageable interest in each Objective area, that is, those results that we can associate fairly directly with our use of central funding and G/EGAD's technical expertise. Perhaps the most important conceptual change from earlier Frameworks developed by the Center is the identification of a Strategic Objective focussed on development of policies and services that will directly address the issue of poverty. This will enable us to integrate more closely our efforts on microenterprise development with those emphasizing the identification of appropriate economic and investment policies as well as "best practices" for reaching the poor through development assistance.

We have used this new Strategic Framework to present our resource requests for FY 2002. Three specific budget line-items are noteworthy.

First, at our request level of \$82.650 million, we propose to use \$2 million in additional CRSP funding to improve management efficiency. Each CRSP now ends its funding year at a different point in the calendar, with some running out of their "annual" funding in March and April, long before resources are generally available so completion of grant modifications is generally done under great pressure. With the one-time addition of funding requested, we could synchronize all CRSP annual funding end-dates on September 30 and our procurement colleagues could schedule their work more rationally. You should be aware that the university community has informed us that they intend to continue to lobby Congress for an almost doubling of the CRSP program resources. The Center's funding request neither anticipates nor responds to that possibility.

Second, we have requested reinstatement of \$3 - \$4 million in Global Bureau financing for the microenterprise development program. This funding will enable us to cover global needs (for analytical and tool-development work, worldwide exploration of best practices, assessments of impact) and improve the fairness of global innovation grant competitions by assuring that outstanding proposals do not go unfunded simply for lack of appropriate regional bureau contributions.

Third, we have recognized that the protection of technical staff positions by the sacrifice of administrative and program support positions during recent years' downsizing has been cost-inefficient. Technical staff are less able to manage for results and are less productive when they do not receive the program administration assistance needed -- to find conference rooms, order photocopying, coordinate travel plans, conduct internet searches for information, etc. This lack of support affects morale and sense of accomplishment. Similarly, the few administrative staff remaining in the Center feel overburdened. In addition to upgrading the program analyst positions and recruiting aggressively to fill the vacancies we faced at the end of FY 99, we established a more solid base of program support by centralizing program staff in a single unit, with a clear line of supervision, ensuring that occasional staff absences do not cause a halt in time-critical activities. We have also proposed to add six program administrative/support personnel through a government-wide contracting mechanism and have included the funding needed in program budgets for each Strategic Objective. We have also requested an OE-funded EXO or Management Analyst FTE position for FY 2001.

Finally, we have identified as a priority for the coming year our need to work more closely with missions on a variety of issues. Our small travel budget limits us, but we are committed to exploiting the wonders of the internet to maximize our interaction with missions and to managing mission use of our field support tools in ways that enable us to assure adequate cross-fertilization of ideas among missions and regional bureaus.

The page restrictions of the R-4 have made it impossible to reflect all of the solid results that Center-funded and -managed activities have produced in FY 99. Nevertheless, we are pleased with the role that the Center has played in learning, innovating, and developing more effective approaches both to generating economic growth and to ensuring that all citizens share in the benefits of that growth.

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Glossary

AAAS - American Academy for the Advancement of Science
ABSP - Agricultural Biotechnology Sustainability Project
AFS - Office of Agriculture and Food Security
AIMS -Assessing the Impact of Microenterprise Services
APAP - Agricultural Policy and Analysis Project
ASARECA - Association for Strengthening Agricultural Research in East and Central Africa
ATRIP - Africa Trade and Regional Investment Program
AVDRC - Asian Vegetable Research Development Center
BASIS - Broadening Access and Strengthening Input Market Systems
BD - Office of Business Development
BDS - Business Development Services
BIFAD – Board for International Food and Agricultural Development
CAER - Consulting Assistance in Economic Reform
CASP - Collaborative Agribusiness Support Project
CCI - Climate Change Initiative
CDP - U.S.-Israel Cooperative Development Program
CDR - U.S.-Israel Cooperative Development Research Program
CGAP - Consultative Group to Assist the Poorest
CGIAR – Consultative Group on International Agricultural Research
CI - Office of Credit and Investment
CIAT - International Center for Tropical Agriculture
CIFOR - Centre for International Forestry Research
CIMMYT – International Maize and Wheat Improvement Center
CRSP - Collaborative Research Support Program
DA - Development Assistance
DCA - Development Credit Authority
DOC - Department of Commerce
DOL - Department of Labor
DOS - Department of State
EGAD - Economic Growth and Agricultural Development
EM - Office of Emerging Markets
ESF - Economic Support Fund
EU - U.S.-European Union
FAO - Food and Agricultural Organization
FSVC - Financial Services Volunteer Corps
GCC- Global Climate Change
GHAI - Greater Horn of Africa Initiative
GIS - Geographical Information System
GMOs - Genetically Modified Organisms
GTN - Global Technology Network
HIID - Harvard Institute for International Development
IARCs - International Agricultural Research Centers

ICARDA - International Center for Agricultural Research in the Dry Areas
 ICLARM - International Center for Living Aquatic Resource Management
 ICRAF - International Center for Research on Agroforestry
 IEE - Initial Environmental Examination
 IESC - International Executive Service Corps
 IFAD - International Fund for Agricultural Development
 IFDC - International Fertilizer Development Center
 IGAD - Intergovernmental Authority for Development
 IGP - Implementation Grant Program
 IITA - International Institute of Tropical Agriculture
 IMF - International Monetary Fund
 INTSORMIL - International Sorghum and Millet CRSP
 IPR - Intellectual Property Rights
 IQC - Indefinite Quantity Contract
 IR - Intermediate Result
 IRIS - Center for Institutional Reform and the Informal Sector (U. MD)
 MASHAV - The Development Cooperation Unit of the Israeli Ministry of Foreign Affairs
 MC - Management Control
 MD - Office of Microenterprise Development
 MERC - Middle East Regional Cooperation Program
 MFI - Microfinance Institution
 MIP - Microenterprise Innovation Project
 MSED - Micro and Small Enterprise Development program
 NAS - U.S. National Academy of Sciences
 NEP - New Entry Professionals
 OFDA - Office of Foreign Disaster Assistance
 NGO - Non-Government Organization
 OECD/DAC - Organization for Economic Cooperation and Development/ Development, Assistance Committee
 PFID - Partnerships for Food Industry Development
 RAISE - Rural and Agricultural Incomes with a Sustainable Environment
 RIIS - Regional Integrated Information System
 RSSA - Resource Services Support Agreement
 SANREM - Sustainable Agriculture and Natural Resource Management
 SEEP - The Donors' Committee on Small Enterprise Development
 SEGIR - Supporting Economic Growth and Institutional Reform
 SME's - Small- and Medium-sized Enterprises
 SO - Strategic Objective
 SPARE - Strategic Partnership for Agricultural Research and Education
 UNDP - United Nations Development Program
 USDH - U.S. Direct Hire Employee
 WDR - World Development Report (World Bank publication)

R4 Part I: Overview/Factors Affecting Program Performance

The Center for Economic Growth and Agricultural Development: Challenges and Results in 1999

I. Overview

The Global Bureau's Center for Economic Growth and Agricultural Development (G/EGAD) closed the final fiscal year of the 20th century appropriately -- with a conference entitled "Development Assistance in the 21st century: Challenging the Conventional Wisdom on Assistance and Development." The Sept. 30- Oct. 1, 1999 event drew on four years of effort by the analysts and scholars associated with the Center's Consulting Assistance in Economic Reform (CAER) activity. More than 100 leaders from USAID, UNDP, the World Bank, other bilateral donor agencies, academia, and the practitioner community considered critical questions that have been explored both theoretically and in applied settings by the CAER team (led by the Harvard Institute for International Development). Analytical findings, conference debates, and even live videos of key speakers were posted to the conference website (<http://www.hiid.harvard.edu>) and remain accessible worldwide. The website is symbolic of the major changes that have occurred in communication technologies in the late 1990's and the promise that they hold for changing the way that development knowledge is gained and development assistance is delivered in the 21st century.

Information and knowledge management are increasingly seen by both public and private sectors as the key to economic success -- enabling individuals and organizations to work smarter, move faster, and more adroitly exploit competitive possibilities. The companies providing the technologies that facilitate information management are the stars of global capital markets. Their products have fuelled growing experience with information management approaches and are generally agreed to have accelerated the momentum of economic integration in the world, i.e., globalization.

At the same time, information and communication technology advances have raised the potential for a kind of economic *disintegration* as some individuals, firms, or countries find themselves unable to access needed information and knowledge due to their positions on the wrong side of a "digital divide."

Thus, the Clinton Administration has called for "globalization with a human face," and the Organization for Economic Cooperation and Development's Development Assistance Committee (OECD/DAC) has begun to link its trade and development debates with the workings of its Poverty Reduction Network. G/EGAD's long-time commitment to learning, innovating, and developing more effective approaches both to generating economic growth and to ensuring that all citizens share in the benefits of that growth is entirely consistent with these efforts.

A revised Strategic Framework is introduced in this R-4. It will guide G/EGAD's programming in the early years of the 21st century. When approved, the framework will focus our efforts to respond to the challenge of enabling individuals and organizations in developing and transitional

economies to participate in the global marketplace. We recognize that market-oriented trade and investment must not only generate broad-based economic growth, but must do so in ways that are socially and environmentally sustainable. Further, we recognize that economic opportunities must be created by a combination of public and private action.

We are confident that, with requested levels of resources, the Center can provide the *technical leadership* and *field support* mechanisms to respond effectively to the challenge. We can also direct those funds that we manage on behalf of the Agency [that is, for the Microenterprise Initiative, the Collaborative Research Support Programs (CRSPs), and the Consultative Group on International Agricultural Research (CGIAR)] to *mobilize additional resources* -- both financial and intellectual -- in response to the challenge.

The Center's Results Report this year uses our current Strategic Framework at the Strategic Objective (SO) level to present our accomplishments in FY 99. As in previous years, we relate the Center's Strategic Objectives to the Agency's Strategic Objectives under Goal One: Broad-based economic growth and agricultural development encouraged.

Key accomplishments in FY1999 were:

- establishment of the Center's website on the intranet;
- successfully expanding the Microenterprise Development program to include the provision of business development services to microentrepreneurs;
- leadership in the multidonor process of developing guidelines for assistance programs geared to poverty reduction;
- continued development of the Agency's relationship with the U.S. land grant university community;
- completion of the OMB and Congressional requirements for the utilization of the Development Credit Authority (DCA) and the negotiation of the first eight activities to be funded under this Authority;
- first steps toward developing a partnership relationship with the Israeli development agency, MASHAV;
- a 40 percent increase in the volume of trade facilitated through the Global Technology Network; and
- a critical role in articulating and facilitating USAID's greater involvement in developing capacity in partner countries for expanded trade.

Factors Affecting G/EGAD Performance in FY 1999

Staffing shortages, OE and program budget levels continued to seriously constrain Center performance. Lack of support staff, scarce travel funds, and inability to attain appropriate grades for key positions have all contributed to low morale and high turnover. This is evidenced by inability to fill key positions throughout the Center.

Four additional factors have played significant roles in reducing the reach and effectiveness of G/EGAD programs:

1. The ***imbalance*** between the Agency's emphasis on and funding for the economic growth and agricultural development agenda and the resources available to the Global Bureau to provide technical leadership and field support for activities in the sector.

More than half of the Agency's total budget is devoted to the accomplishment of the goal of encouraging broad-based economic growth and agricultural development. G/EGAD's funding to provide technical leadership and field support to this agenda in FY 99 was less than two percent of the total Agency resources directed to Goal One. The Center's Office of Emerging Markets (EM) is mandated to provide intellectual leadership and field support in a wide range of areas -- financial markets, privatization, macroeconomic management, legal and regulatory reform, trade and development, etc. But this Office has been particularly hard-pressed by the budget allocation process as its budget is calculated as the residual of "other economic growth" funding once all other needs, Agency-wide, have been met. The small amount of funding for this activity in FY 99, therefore, made it impossible to pursue an active program of analysis, networking, and dissemination of best practices.

2. The "***regional bureau taxation***" approach to funding of the Microenterprise Innovation Project (MIP).

The use of "voluntary" contributions of the regional bureaus to fund the global program managed by the Office of Microenterprise Development budget makes it impossible to run fair competitive grants programs. Good proposals for innovative work in regions where the regional bureau has not provided adequate funding must be rejected while less-innovative work in well-funded regions is accepted.

3. The ***collapse of the Department of Labor (DOL) RSSA*** program led to serious staffing deficiencies.

DOL had agreed to provide three RSSA specialists to the Office of Microenterprise Development (MD). A change of leadership in DOL led to a unilateral cancellation of the program, just as agreement had been reached on the selection of one candidate. Three vacancies have persisted since August, 1998, as it has been difficult to negotiate alternative RSSA arrangements with the U.S. Department of Agriculture. Work has gone undone, and current staff are excessively stressed.

4. The FY 00 Congressional budget discussion resulted in the largest number of ***earmarks and suggested budgetary allocations*** ever sent to the Agency.

During FY 99, staff were repeatedly drawn into meetings and communications with aspiring recipients of earmarked and directed funding throughout the budget season. In the end, funding levels allocated to G/EGAD were increased by only \$3 million, insufficient to cover *any* of the additional demands. This caused serious damage to collaborative relationships with some of the hopeful individuals and organizations. Rebuilding trust with disappointed partners requires enormous investments of time and energy.

On the positive side, G/EGAD's overall performance has benefited enormously from our use of AAAS technical expertise, the personal initiative and hard work of staff, and a number of opportunities to build on work done in previous years.

Factors Affecting G/EGAD's Future Performance

With approval of the requested resource levels and the new Strategic Plan, G/EGAD is confident that future performance will be improved.

1. The *new Strategic Framework* (refer to the Updated Framework Annex) that structures the Strategic Plan will, inter alia, address a perceived **area for improvement in the Center**. It will increase the integration of activities and thereby the cooperation and coherence among the various Offices of the Center. By doing so, it will also focus all efforts on fewer, more widely-shared results. The new framework also emphasizes the Center's manageable interest in achieving each Strategic Objective.
2. The *budget levels* requested to support work that will enhance the openness and competitiveness of developing and transition economies (i.e., building from the \$8 million FY 2001 request level) as well as the \$3 - 4 million in central funding requested to support the microenterprise development program will increase the impact of the Center in these important areas. The financial flexibility will enable Center staff to make more efficient and fair tactical choices as we implement the Strategic Plan.
3. A restructured *staffing pattern* may be called for in future years. Not only will we consider reshaping our current Office structure, but we will explore greater use of short-term, contract, or partnership options to access highly-qualified technical expertise rather than relying as much as we now do on long-term RSSAs or USDH. To address another **area for improvement**, we will be looking for greater assignment of routine program administrative tasks to contractors and grantees and a greater focus of on-site staff to innovation, learning, and the development of more effective approaches to growth.
4. We have seen the benefit of solid *policy support from Administration officials* in strengthening our inter-governmental relations and in getting more value from other kinds of partnerships. We expect to work with the incoming Administration to develop an understanding of our Strategic Plan and the results that we think can be achieved through its full implementation.
5. Strengthened *university relationships* are expected to result from the soon-to-be-formed-online Strategic Partnership for Agricultural Research and Education (SPARE). Other partnerships, e.g., with the Microenterprise Coalition members, other USG agencies, the universities and private sector participants in the Partnership for Food Industry Development, the State Export Promotion Commissions, and other donors, are also important to the achievement of our Strategic Objectives. Most importantly, however, we intend to improve our performance by forging stronger partnerships with Missions through more effective management of and follow-up to our various IQC and leader/associate grant mechanisms.

R4 Part II Results Review by SO

Text for SO3

Country/Organization: Center for Economic Growth and Agricultural Development.

Objective ID: 933-003-01

Objective Name: Appropriate and functioning economic policies, market reforms, and institutions are developed to accelerate economic growth in emerging markets.

Self Assessment: On Track

Self Assessment Narrative: Progress towards this SO is proceeding on track

Primary Link to Strategic Agency Framework: Private Markets

(please select only one)

Secondary Link to Strategic Agency Framework:

(select as many as you require)

- | | |
|--|--|
| <input type="checkbox"/> 1.1 Private Markets | <input checked="" type="checkbox"/> 1.2 Ag Development/Food Security |
| <input checked="" type="checkbox"/> 1.3 Economic Opportunity for Poor | <input checked="" type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input checked="" type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input checked="" type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input checked="" type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input checked="" type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input checked="" type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input checked="" type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Global Growth and Stability

SUMMARY OF THE SO

Sustained economic growth cannot occur without good public policies and institutions providing a favorable framework for private initiative. USAID missions advise host governments on the

structure of policies and institutions conducive to economic and social development and provide capacity-building and financial support needed to act on this advice. Initiatives undertaken are as diverse as the individual country environments. Yet, with an increasingly global economy and an increasing volume of international trade and financial flows, there are common issues to be addressed and a degree of convergence on "best practices" that might resolve them effectively.

The Agency's understanding of institutional and policy reform as an essential element of sound development strategy is much deeper now than it was five years ago. Our awareness of the important synergies between poverty reduction programs, trade policy, legal systems, agricultural policy, the role of technology, education and workforce development has evolved significantly with work on G/EGAD's Strategic Objective 3.

KEY RESULTS

Technical Leadership. Using EM's limited budget resources to develop tools, models, products, or approaches that can be tailored for different country situations has proved to be a cost-efficient way to provide technical leadership in support of economic growth and the development of private sector-led economies. In FY 99, EM met its technical leadership target by developing and field-testing three new tools or models.

--**Workforce development diagnostic.** Jointly developed with G/HCD, EM's workforce development approach uses analytical information, gathered around industry clusters, to facilitate collaborative private-public diagnosis of institutional workforce constraints and to design training programs. The approach creates a private-sector led initiative to link workers with employers. The approach was used in South Africa and Egypt, and is being adapted in Sri Lanka as part of the larger competitiveness exercise. Uganda, Guatemala and Nigeria are considering using the diagnostic. Expected impacts are: systematically changed relationships between educational institutions and private business; increased employment; higher portion of wage bills dedicated to capacity development; and a more flexible, responsive and competitive workforce.

--**Competitiveness.** Introduction of the competitiveness model developed by Michael Porter and others at the Harvard Business School to USAID partners was launched with the FY 99 presentation to the Worldwide Mission Directors' Conference. The model develops an awareness of what is required to become competitive and then creates a private sector-led process to develop 'cooptition', the capacity to cooperate and compete within clusters. Responding to Mission Directors' enthusiasm, EM developed a country competitiveness SEGIR "package" (with model scopes of work posted on our website). With extensive EM support, USAID/Sri Lanka initiated the approach in Sri Lanka with a high-profile, energetic series of consultations and analyses. The Mission introduced the model to other South Asian countries in a major 1999 workshop in Colombo. Six countries are now considering use of the model. Uganda, Sri Lanka and Mongolia are beginning their use of the model. The competitiveness approach expects to lower external tariffs, double productivity and strengthen business associations.

--**A model legal framework for electronic commerce** that would assist developing countries considering entry into this new field was also developed. The initial responses from cooperating missions has been positive. The tools are valued in developing strategies and programs.

In FY 99, EM's five-year Consulting Assistance in Economic Reform (CAER II) activity moved toward its final year of implementation. In four years, CAER II, with the Harvard Institute for International Development (HIID) in the lead, produced 25 economic studies and 46 Discussion

Papers. Some 30 seminars and three major conferences facilitated the dissemination and discussion of this cutting-edge work. Topics as varied as pension reform, demographic change and economic growth, and greenhouse gas emissions and economic growth raised thoughtful debate. The analysis of economic growth and poverty has particular relevance as the IMF and the World Bank agreed, in their FY99 meetings, to link lending programs more closely to poverty reduction. USAID and HIID expect to disseminate about 7,000 copies of the CAER papers directly but the impact is much broader with Internet availability. Over 10,000 copies were downloaded by March 2000. The National Bureau of Economic Research, the Brookings Institute, and the World Development journal have already republished some of the papers.

Field Support. EM exceeded its field support targets in 1999 by 80 percent, providing 73 person weeks of TDY services to field missions. Most frequently, EM staff assisted in the design of new strategies for private sector development, aided by internet capabilities.

In 1998, EM developed a comprehensive "Results Package" known as SEGIR (Supporting Economic Growth and Institutional Reform). Split into five components (Privatization, Financial Sector Development, Legal and Institutional Reform, General Business Trade and Investment, and Economic Policy), SEGIR was operationalized with the competitive selection of up to six prime firms for each component. By using these pre-competed IQCs, Missions have rapid access to over 250 topflight firms for both short-term and long-term technical assistance activities. In FY 99, EM provided oversight on the design and implementation of 93 SEGIR delivery orders, with a value of \$80 million.

An unexpected area of FY99 "field support" was that provided to the Agency in preparation for the Seattle Ministerial of the World Trade Organization in November. EM staff were critical in preparing background papers (Building Capacity in Trade; Trade and Development; Trade and Poverty) and in coordinating the drafting of others on trade and gender, labor, and environmental issues. EM staff managed a four-part seminar series to familiarize USAID staff and implementing partners with a range of emerging issues in trade and development. Eleven technical papers were discussed; most of which were incorporated into the briefing materials of the USAID delegation. This pressure-cooker technical support effort, backed by participation in inter-agency forums, increased U.S. Government awareness of USAID's expertise in trade and development issues.

The addition of a highly-qualified AAAS Fellow to the EM staff mid-year also enabled EM to provide specialized field support to specific trade-related training activities funded by REDSO and hosted by the Intergovernmental Authority for Development (IGAD). According to REDSO reports, the result was that "Remarkable success was seen for IGAD's Office of Economic Cooperation in the field of international trade negotiations."

Direct Development Impact. The Investor Roadmap exercises during the past several years continue to guide serious reform efforts. Developed by EM in 1995, the Investors' Roadmap is a diagnostic tool that brings into high relief the path investors must traverse through public agencies to bring a new investment project on-stream. Results of the 1999 Roadmap commissioned by USAID/Morocco were widely distributed to government and private sector representatives and were the subject of local media attention. The Minister of General Government Affairs publicly validated the findings of the Roadmap report and committed to

address the administrative and bureaucratic constraints identified. In Senegal, Romania and Ghana, governments simplified administrative procedures for investors based on Roadmap report findings.

PERFORMANCE AND PROSPECTS

Given the severe budget constraints that EM faced in FY 99, the performance of the Office in achieving its Strategic Objective was better than expected. The development and introduction of new tools and approaches, staff members' proactive participation in both inter-Agency forums and missions' portfolio management, and the preparation of the year's culminating conference all demanded significant expertise and substantial creativity.

Prospects for the use of EM's off-the-shelf tools and analytical approaches are good and demand for SEGIR products remains steady. Assuming funds availability in the Agency for economic growth and private sector development. Prospects are good for development of new cutting-edge tools and analytical approaches, especially to advance the emerging trade-related agenda, if FY 2000 increased funding for this SO is realized and if the numerous vacancies in the Office are successfully filled with experienced professionals. Future tools and analytical approaches should, in the context of the new Strategic Framework, be more sharply focussed.

In FY 00, three New Entry Professionals in the private sector backstop (21) and three in the economist backstop (11) will join the Agency. EM also plans to bring on an IPA trade policy economist. The addition of these new staff will require EM staff to take on an expanded mentoring role, but the supplementary technical expertise should also enhance the Office's capacity to gear up for a more ambitious program in FY 01.

POSSIBLE ADJUSTMENTS TO PLANS

Over the next six months, the expanded portfolio will be designed using the new Strategic Framework and Strategic Plan as guidance. The CAER II project and an IRIS activity at the University of Maryland will be closed. As the new Strategic Framework is implemented, staff adjustments are needed. In general, it calls for more cross-Office collaboration. EM staff will participate in the SO #11 team, focussing on the linkages between economic growth and poverty, and will facilitate the participation of AFS and staff in a revitalized financial sector I.R.

OTHER DONORS' PROGRAMS

EM worked closely with European Union counterparts in FY 99 on a financial crisis working group under the New TransAtlantic Agenda and with a variety of UN trade-related agencies, especially the International Trade Center, on trade-capacity development issues.

MAJOR CONTRACTORS AND GRANTEES

Some 30 prime contractors and nearly 250 subcontractors and resource groups participate in the program. An agreement with the Financial Services Volunteer Corps (FSVC) provides a mechanism for financial and legal assistance and an Inter-Agency Agreement with the Securities and Exchange Commission provides assistance to capital market development.

Performance Data Table

Objective Name: Appropriate and Functioning Economic Policies, Market Reforms, and Institutions are Developed to Accelerate Economic Growth In Emerging Markets			
Objective ID: 933-003-01			
Approved: Introduced in FY2001 R-4. Neither approved or disapproved		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: TECHNICAL LEADERSHIP			
Indicator: New tools introduced and used by the agency			
Unit of Measure: Number of development tools created and adopted by users.	Year	Planned	Actual
	FY1998	2	3
Source: Office of Emerging Markets files	FY1999	3	3
Indicator/Description: A model new methodology to be applied to analyze or reform a specified policy regime.	FY2000	2	
	FY2001	3	
	FY2002	3	
Comments: Three tools were developed in FY 1999: 1) Workforce Development 2) Country Competitiveness Model 3) Legal Framework for Electronic Commerce #1 and #2 were adopted, while #3 is being revised into guidelines. Data Limitation: Adoption of models can only be verified with Mission feedback.			

Performance Data Table

Objective Name: Appropriate and Functioning Economic Policies, Market Reforms, and Institutions are Developed to Accelerate Economic Growth In Emerging Markets			
Objective ID: 933-003-01			
Approved: Introduced in FY 2001 R-4. Neither approved nor disapproved.		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: FIELD SUPPORT			
Indicator: Mission usage of direct hire or contracted assistance from the Office			
Unit of Measure: Person weeks of staff TDYs .	Year	Planned	Actual
Source: EM Office Travel Authorization files	FY1998	40	43
Indicator/Description: Technical support that promoted stronger technical design and implementation or technical support that delivers assistance in a more efficient manner. (The number of person weeks was calculated by converting person-days to weeks.)	FY1999	40	73
	FY2000	20	
	FY2001	40	
	FY2002	40	
Comments: Planned TDY time will decline in FY 2000 because of staff vacancies and reduced EGAD and Mission OE funds available for EM staff travel.			
Data Limitation: Travel Authorization data are readily available, but TDY quality is often undocumented and subjective.			

Performance Data Table

Objective Name: Appropriate and Functioning Economic Policies, Market Reforms, and Institutions are Developed to Accelerate Economic Growth In Emerging Markets			
Objective ID: 933-003-01			
Approved: Introduced in FY 2001 R-4. Neither approved nor disapproved.		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: FIELD SUPPORT			
Indicator: The number of delivery orders processed by the Office of Emerging Markets			
Unit of Measure: Number of delivery orders	Year	Planned	Actual
Source: EM Data Base	FY1998	100	115
Indicator/Description: A delivery order is a mission-funded contract negotiated against an IQC competitively awarded by EGAD/EM. EGAD/EM and Mission staff collaborate to define the scope of work and selection of the most appropriate IQC.	FY1999	100	93
	FY2000	100	
	FY2001	100	
	FY2002	100	
Comments: Although the number of delivery orders in FY 1999 were less than planned, the value of the delivery orders increased from \$47 million in FY 1998 to \$80 million in FY 1999, exceeding the Center's target of \$50 million.			
Data Limitation: There is no centralized agency systematic collection of consolidated data on delivery orders. EM has set up an unofficial proxy data system. However, it is heavily dependent upon input from the contractors themselves.			

Performance Data Table

Objective Name: Appropriate and Functioning Economic Policies, Market Reforms, and Institutions are Developed to Accelerate Economic Growth In Emerging Markets			
Objective ID: 933-003-01			
Approved: Introduced in the FY2001 R-4. Neither approved nor disapproved		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: DIRECT DEVELOPMENT IMPACT			
Indicator: Development impact as a result of using an EM technical tool			
Unit of Measure: Adoption or implementation of policy recommendation stemming from direct intervention by EGAD/EM or by a mission using an EGAD/EM created technical tool	Year	Planned	Actual
	FY1998	2	2
	FY1999	2	3
	FY2000	2	
Source: Mission reports	FY2001	4	
Indicator/Description: Numbers/types of policies changed. Numbers/types of implementation activities. Measurable impact of policy/implementation actions.	FY2002	5	
<p>Comments: In FY 99, the following were reported:</p> <p>Romania: EM's Investors Roadmap intervention resulted in a website where businesses can register complaints about excessive regulatory and bureaucratic delays.</p> <p>Senegal: The Investors Roadmap was done in March 1999. Since its completion, Senegal has set up an oversight committee to streamline procedures and follow up on implementation. This committee has created a one-stop investor promotion center based on Tunisia's successful model and has submitted other reforms to the prime minister.</p> <p>Ghana: The Investors Roadmap in Ghana was completed in April 1995. It was the first roadmap. Since it was completed, the Free Zones Board grants tax breaks automatically instead of by application. Export production quotas are applied very flexibly in free zones. Ghana has completely revamped the procedures of the Ghana Minerals Commission to make them much more transparent. The immigration service has revamped its procedures to be investor friendly. Ghana has set up a clearance and customs escort service for investors at the airport. Investor access to land has been facilitated by giving a single license that approves both zoning and construction in one step. Tema Port is clearing all goods within 24 hours, down from 4 to 10 days in 1995.</p> <p>Data Limitation: No systematic way to collect or require submission of mission information on policy impact.</p>			

Text for SO4

Country/Organization: Center for Economic Growth and Agricultural Devevelopment

Objective ID: 933-006-01

Objective Name: Private sector business linkages support U.S. technology transfer in support of development objectives

Self Assessment: Exceeding Expectations

Self Assessment Narrative: The Global Technology Network, the platform for technology transfer and e-commerce with USAID target countries, won the 1999 Public Service Excellence Award. This is the first time an AID program has achieved this distinction. Focusing activities on technology transfer and trade promotion amongst small- and medium-sized enterprises in key developmental sectors has yielded significant impact. Program activities are proceeding better than planned.

Primary Link to Strategic Agency Framework: 1.1 Private Markets
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|--|--|
| <input type="checkbox"/> 1.1 Private Markets | <input checked="" type="checkbox"/> 1.2 Agricultural Development/Food Security |
| <input checked="" type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Education/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Education/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input checked="" type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input checked="" type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input checked="" type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input checked="" type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input checked="" type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input checked="" type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input checked="" type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): US Exports

SUMMARY OF THE SO

The mandate of the Office of Business Development (BD) is to facilitate the application of U.S. technology by the private sector to address development problems. Complementing U.S. technology with the entrepreneurial drive, the competitive ability, and the management acumen of U.S. businesses substantially leverages the impact, and technology can be the lead-in to productive long-term robust commercial relationships. As trade barriers fall and as electronic commerce grows, USAID is committed to helping build the organizational capabilities in partner countries to link into the U.S. economy, so that they can become strong partners in both development and trade.

BD developed and manages the Global Technology Network (GTN) and ancillary business development activities to promote technology transfer and trade relationships between U.S. and indigenous small- and medium-sized enterprises (SME's) to foster sustainable economic growth and development. Through an extensive program of outreach, training, coordination, and promotion of commercial deals, the GTN: (1) expands the avenues available for the dissemination of technical and developmentally oriented information through the operation of an internet-based business opportunity matching service; (2) supports the establishment of a business-to-business self-sustaining mechanism that promotes the continuation of product and informational exchanges long after USAID resources end; and (3) generates U.S. governmental, state, and private sector interest in the kinds of business and informational transfers that will accelerate the entrance of developing and transitioning nations into the competitive world economy. BD has also supported the development of the NGO Enterprise Works Worldwide and its ability to partner with corporation and individuals to advance its work in developing and commercializing appropriate technologies.

KEY RESULTS

Technical Leadership. The GTN has become the most effective targeted matching service for international business within the federal government. The leadership role of GTN was recently recognized with the 1999 Public Service Excellence International Award. The GTN stands apart from other technology transfer and trade lead programs because it offers hands-on assistance both in the U.S. and overseas. It pushes the leads out to participant companies via e-mail rather than simply posting the leads, and specializes in sectors that have a direct developmental impact and a proven record of success. Furthermore, GTN works closely with other government export promotion agencies including the Department of Commerce (DOC), the Small Business Administration, and the Export Import Bank as well as trade promotion offices of 30 states. GTN often plays a coordinating role among these agencies, particularly for some of the smaller countries. In 1999, GTN expanded its operations and now has representatives in 41 countries.

Field Support through Global Assistance Mechanisms. Since GTN began operation in 1996, it has worked in concert with the USAID regional and mission programs in four target sectors: environment and energy; agriculture; health; and information and communication technologies. It has also worked particularly closely with the DOC. This collaboration has extended to joint funding of GTN in many countries. A total of \$1.805 million in mission field support was provided in FY 99.

-- *Africa:* GTN is currently working with REDSO/ESA and with the AFR/SD African Trade and Regional Investment Program (ATRIP) to provide the services of GTN representatives in six countries. These representatives support the Leland Initiative and other ATRIP business-linkages activities. Commercial attaches of U.S. Embassies in another six countries feed leads to GTN as they encounter opportunities in the course of their work.

-- *Europe and Eurasia:* GTN is collaborating with the E&E Office of Environment, Energy and Urban Development and the DOC to support the Eurasian-American Partnerships for Environmentally Sustainable Economies (known as EcoLinks). DOC has already placed GTN representatives in five countries with an eye to expanding to other nearby countries. GTN is also collaborating with E&E Bureau to finance and set up the Southeast Europe Trade Network. Its purpose is to foster regional integration promoting stability and economic recovery. GTN is building a regional database of local companies providing goods and services in the GTN sectors to allow companies in the region to seek providers nearby as well as in the U.S. The system has been established in FYR Macedonia, Romania, Croatia, and Bulgaria.

-- *Asia:* GTN continues close association with the U.S. - Asia Environmental Partnership, a program jointly managed by the ANE Bureau and DOC. USAID/Mongolia bought into GTN and has become an active participant, jointly organizing a trade mission to visit US construction industry firms and events. The ANE Bureau, through its Accelerating Economic Recovery in Asia program, provided funding for a regional program in the Philippines, Thailand, and Indonesia.

-- *North Africa and Middle East region:* The missions in Jordan, Egypt, and Morocco have each provided funds for GTN operations. The ANE Bureau is providing funds for a new GTN operation in Tunisia.

-- *LAC region:* There have been no regional bureau or mission contributions to the GTN work to date. Nevertheless, GTN is currently active in seven LAC countries; one activity in Peru has "lent" a representative to GTN.

Direct Development Impact. The primary measure used to track GTN performance is the annual dollar value of transactions that resulted from BD efforts. For FY 1999, \$120 million in reported transactions were completed, compared to \$78 million the year before. The higher total for FY 1999 was due principally to a particularly large deal in Peru. The median value of a deal in FY 1999 was \$100,000, down from \$322,000 in FY 1998. Close monitoring of performance has enabled GTN managers to improve the quality of leads from the field being pushed toward U.S. suppliers. The number of leads processed per month decreased from around 100 in 1998 to around 60 in 1999. The number of completed deals also declined, from 36 in FY 1998 to 24 in FY 1999. The ratio of leads to completed deals improved slightly from 33:1 to 30:1. The FY 99 distribution by the number of successful deals across the GTN sectors was: environment and energy, 71%; information and communications, 13%; health, 13%; agriculture, 0%; and other, 3%. The environment and energy program continues to be the strongest component of GTN.

PERFORMANCE AND PROSPECTS

GTN's performance in 1999 continued its strong upward trend toward growing U.S.-developing country trade opportunities. Our client choice has been on target and the hands-on assistance and quality-enhancing aspects of GTN management are reflected in the increasing success of deals. By working with small and medium-sized companies both in the U.S. and overseas, GTN is targeting a market segment that needs help to become successful in international trade and

investment. Some 85 percent of U.S. exporters are small and medium-sized companies and they account for about half of US exports. It must be born in mind, however, that all exports from the U.S. today constitute only nine percent of GDP, as U.S. companies tend to focus on U.S. markets. GTN introduces new companies to international trade opportunities and helps them to enter new world markets by providing personalized service by full-time GTN representatives and experts capable of facilitating communications literally half a world apart. In addition, GTN has been able to draw on the volunteer base of the International Executive Service Corps (IESC) in new and innovative ways. Working right here at home, IESC volunteers review incoming trade leads, identify U.S. companies not currently in the database that might be able to respond to the leads, and recruit new companies to participate in GTN.

Challenges remain, however. Rather than rely on USAID core funding indefinitely, GTN is pilot testing fee-for-service-based transactions. Experience to date indicates that progress toward a self-sustaining level of financing will require better follow-up on leads, more careful screening of buyers and sellers, expansion of domestic and foreign data bases, and the fielding of more aggressive business development representatives overseas. Arrangements have been negotiated with IESC and with service providers in both Tunisia and Mexico to charge the seller a fee that will help cover the costs of the services provided. Current procurement regulations pose an obstacle to GTN fee retention and creative approaches to cost sharing.

Emerging business-to-business digital marketplaces are quickly evolving. This is challenging GTN to form partnerships with the companies setting up and managing these marketplaces to assure that GTN's clientele is well served. GTN will be able to offer a more robust package of services that advance its objectives.

POSSIBLE ADJUSTMENTS TO PLANS

In the near term, BD will prepare a business plan for GTN that will seek to put it on a commercial footing and link it to new Internet-based electronic business-to-business marketplaces that are evolving for the products and services promoted by GTN. The business plan may call for significant changes in ownership, structure, financing, and operations of GTN. BD is also reviewing its Latin America coverage, seeking LAC and mission support in the region, and possibly repositioning itself in the region. In the longer term, running up to FY 2002, BD will participate with other EGAD programs in an assessment of how jointly to implement the revised EGAD strategic objectives proposed in this R4 with an eye to closer collaboration with other programs of the Center as well as with the programs of G/PHN, G/ENV, and G/HCD.

OTHER DONOR PROGRAMS

The European Union is programming increasing resources toward promoting developing country trade with the EU member countries. These programs, and other bilateral trade-enhancing subsidies, may present a challenge as GTN starts to charge fees for its services.

MAJOR CONTRACTORS AND GRANTEES

IESC Cooperative Agreement (exp FY 2003); DevTech Systems, Inc contract (exp FY 2000); Kenan Institute Cooperative Agreement (exp FY 2001); New contract planned for FY 2000; World Trade Center of Chicago Cooperative Agreement (exp FY 2000).

Performance Data Table

Objective Name: Private Sector Business Linkages Support U.S. Technology Transfer In Support of Development Objectives				
Objective ID: 933-006-01				
Approved:		Country/Organization: Center for Economic Growth and Agricultural Development		
Result Name: Actual transfer of U.S. environment, energy, health, agribusiness and information technologies.				
Indicator: Completed transactions				
Unit of Measure: Dollar volume		Year	Planned	Actual
Source: GTN Trade Lead Tracking System		FY 1998	\$50,000,000	\$78,000,000
		FY 1999	\$75,000,000	\$119,700,000
Indicator/Description: Estimated value of completed business transactions: private sector exchange of a service or product.		FY 2000	\$80,000,000	NA
		FY 2001	\$85,000,000	NA
		FY 2002	\$90,000,000	NA
. Comments: The original estimated value of completed transactions in FY 1998 was \$100 million, as per FY 2001 R-4. Due to a subsequent review of the transactions, the value of FY 1998 transactions was revised to be \$77.8 million. Limitations on the quality of these data must be acknowledged. Even though GTN promotes business deals, it avoids inserting itself between potential parties to a deal. The parties to GTN-promoted deals have no obligation to alert GTN when deals are completed and many times these parties treat the value and other details of the deals as proprietary information. GTN policy has been to ask as unobtrusively as possible to be informed when deals occur and to be informed of the value of the deals. Oftentimes one or the other of the parties will provide the information and GTN will include it in its running list of deals. This information is often captured as late as several months after the deal. Sometimes deals that had been agreed to later fall apart. Furthermore, the information is oftentimes later updated or otherwise revised. In fact GTN conducted a survey of the parties to the reported FY 1999 deals after the close of the fiscal year and substantially revised its estimates. GTN is exploring ways of improving the quality of the information.				

Text for SO2

Country/Organization: Center for Economic Growth and Agricultural Development.

Objective ID: 933-002-01

Objective Name: Improved food availability, economic growth, and conservation of natural resources through agricultural development

Self Assessment: On Track

Self Assessment Narrative: Achievement of the SO is proceeding on track.

Primary Link to Strategic Agency Framework: 1.2 Ag Development/Food Security
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|---|--|
| <input checked="" type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Agricultural Development/Food Security |
| <input checked="" type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Education/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Education/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input checked="" type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input checked="" type="checkbox"/> 5.1 Global Climate Change | <input checked="" type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input checked="" type="checkbox"/> 5.5 Natural Resource Management | <input type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): Environment; Humanitarian Assistance

SUMMARY OF THE SO

Food security is a fundamental development challenge facing USAID and the world. The World Food Summit goal of reducing hunger by half by the year 2015 is both concrete and attainable. Its achievement depends on increasing both overall food availability (production) and incomes (demand). In most of the developing world, food security depends on increasing the productivity of agriculture, since it provides both the supply of food and the livelihoods upon which most

people depend. The economic linkages associated with agricultural development also stimulate the production of goods and services throughout the economy, increased employment, and, ultimately, expanded trade. Further, agricultural development is inextricably linked to the environment, since long term sustainability of agriculture requires wise use and conservation of soil, water, land and living (plants, fish, livestock, microbes) resources.

KEY RESULTS

Technical Leadership. G/EGAD's Office of Agriculture and Food Security (AFS) broke new ground in several areas in 1999.

-- *Policy.* Building on the innovative analytical work on food security completed in September, 1998, for the preparation of the U.S. Action Plan on Food Security (publicly released in March, 1999), AFS successfully led to the inclusion of agriculture and food security concerns in the OECD Development Assistance Committee's poverty reduction guideline development efforts. Through the U.S.-European Union (EU) partnership, AFS took the lead in FY 99 to develop coordinated food security assistance policies with the EU in six of the world's most food-insecure countries.

-- *Scientific leadership.* AFS focused in 1999 on expanding opportunities for developing countries to benefit from advances in genetics and genomics. A "soft earmark" approach to funding for the international agricultural research centers (the IARCs) linked public and private sector efforts in crop genomics; six IARCs accessed the latest genomic computational tools used by U.S. universities and private research organizations. Stress tolerance and nutritional content were emphasized in genetic research as these are so closely linked with resolving food security problems. USAID project experience in addressing developing country food safety and trade issues was reflected in the August 1999 Codex Alimentarius negotiations at FAO, paving the way for greater participation by African and other developing countries in that crucial trade forum. As views concerning the development of and trade in genetically modified organisms (GMOs) polarized, AFS fostered greater dialogue with developing country partners in the context of the Biosafety Protocol negotiations, underscoring the benefits of biotechnology for poorer countries.

-- *Climate change.* Together with G/ENV, AFS helped to bring climate change into the context of international agriculture. A 1999 study suggests that agricultural technologies have helped to reduce greenhouse gas emissions by 17 billion tons over the last 25 years. Another analysis showed that between 200 and 400 million hectares of land, much of it fragile, was not needed for agriculture because of higher crop yields on currently-cultivated land; 50 million additional hectares have been spared due to improved pasture and livestock management. The value of preserved biodiversity alone is estimated to be between \$200 and \$500 million.

-- *Impact analysis.* AFS collaboration with partners advanced the use of impact analysis (ex-post and ex-ante), by integrating production, socio-economic and environmental information into analytical tool-equipped spatial databases and sharing them with developing country partners. The Global Livestock Collaborative Research Support Program (CRSP), for example, devised a prediction model based on the analysis of manure that can inform pastoralists of impending feed shortages; this could avert livestock deaths and realize \$100 million in potential savings over 4-8 years.

Field Support. AFS completed in FY 99 a collaborative design for a new activity, Partnerships for Food Industry Development (PFID). PFID builds on the strengths of previous activities – the

Regional Agribusiness Project and the Collaborative Agribusiness Support Project (CASP) – but provides an updated mechanism (the leader-associate grant) for USAID missions to link U.S. universities and agribusiness with partners in the developing world.

In 1999, Missions and regional bureaus channeled more than \$10 million in field support and project buy-ins through AFS-managed vehicles. AFS teams (USDH, AAAS Fellows, and RSSA staff) provided over 500 days in professional field support. AFS continued to manage the LACTECH program on behalf of the LAC Bureau, and E&E cost-shared one full-time person to provide backstopping to agricultural and agribusiness programs in Russia and Ukraine.

Direct Development Impact. AFS global research support directly contributes to the development of new technologies for the world's major foodcrops, as well as livestock and fish.

-- *Food Supply.* In 1999, crop yields in developing countries were down slightly from 1998 levels. Cereals rose 0.15%, coarse grains declined 4.4%, dry legumes dropped 0.7% and root crops dropped 4.5%. However, progress for the decade was substantial, with gains of 15%, 19% and 7% for the first three categories. In addition, retrospective analyses released in 1999 demonstrated that the results of research begun in the 1960s are still being felt, and are generating both increasing volumes of food as well as billions of dollars per year in an ever-widening array of economic benefits. For example, over three-fourths of developing countries' wheat acreage (> 130 million acres) is now sown to CIMMYT-based varieties that have been developed and released almost continuously from the 1960s to now.

-- *Food Access and Market Development.* The Food Affordability Index (FAI), a ratio of income to food prices, measures households' food access. 1997 data, the latest available, point to a positive trend (more affordable food) in most of Africa, with more mixed results in Latin America; although data are scant, many Southeast Asian nations likely suffered declining affordability due to the economic crisis in that region. Fertilizer consumption is a key indicator for the functioning of agricultural input markets. Latest data point to a favorable market development situation in Latin America and Asia, where fertilizer purchases were up 38% and 22%, respectively, over 1989-91 levels. Africa lags.

-- *Natural Resource Conservation and Management.* Good progress was made on the "win-win" solutions that come when good agriculture practice is combined with environmental management concerns. New strains of Tilapia developed by ICLARM and the Pond Dynamics CRSP helped boost Asian fish production by 60%, reducing pressure on fragile reef systems. In Kenya, ICRAF showed that 400,000 families could benefit by growing specific fodder trees for their dairy animals, helping to reduce erosion and runoff from dairy operations, while boosting incomes.

PERFORMANCE AND PROSPECTS

G/EGAD's contributions to improving food availability, economic growth, and the conservation of natural resources are important but modest when compared to the size of the challenges: some 800 million people estimated to go to bed each day hungry, more than a billion people living on a dollar a day, and growing evidence of climate change, future water shortages, and the irreversible destruction of the planet's biodiversity.

Results already discussed indicate areas where policy analysis and dialogue are making a difference. On the hard science front, new research techniques and increased computational

power are combining to make the generation and application of new knowledge more rapid and accurate. Marker-assisted breeding techniques accelerate the development of seed varieties that promise greater performance and reduced environmental damage. They also make feasible the development of “biofortified” crops that could sustainably improve children's’ nutritional status. The Agency’s support for the CGIAR and CRSPs must be maintained – or increased – to accelerate these efforts.

The Agricultural Biotechnology Sustainability Project (ABSP) has shown, however, that the capacity to use these new scientific techniques in developing countries requires a wholesale upgrade of both research facilities and researchers’ abilities. USAID missions have diminished their investments in national agricultural research facilities and training; the CRSP and CGIAR capacity to provide what's needed is very limited. The potential for national research systems in developing countries to be left behind as scientific technique advances is real; AFS will work proactively with partners to search for remedies.

POSSIBLE ADJUSTMENTS TO PLANS

Addressing *biotechnology and related intellectual property rights (IPR)* is a special challenge. Genetically modified organisms (GMOs) are already a contentious reality. In supporting new biotechnology efforts to develop nutritionally desirable biofortified crops, e.g., "golden rice," and designing the follow-on to ABSP, consideration must be given to maximizing GMOs' nutritional benefits, impact on child mortality, biosafety, and consumer acceptance as well as increasing awareness of regulatory and management issues and integrating these closely with policy and market development activities.

Under our proposed new strategic framework for FY 2002, EGAD will continue its efforts to increase the productivity, efficiency, and sustainability of agricultural and food systems, while better cross-linking agricultural and food security activities with our new openness/competitiveness and poverty reduction objectives.

OTHER DONOR PROGRAMS

AFS works with a range of bilateral and multilateral partners (e.g., CGIAR, IFDC, IFAD, FAO, etc.). In 1999, EGAD spearheaded USAID efforts to link with the OECD/DAC, the EU, Japan and other donors on matters relating to poverty, agriculture and food security.

MAJOR CONTRACTORS AND GRANTEES

Chief among AFS partners are U.S. universities (e.g., CRSPs, ABSP, Food Security II), international agricultural research centers (e.g., CGIAR, IFDC, AVRDC), several private companies under IQCs in the RAISE and BASIS activities and other relevant sources of expertise

Performance Data Table

Objective Name: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
Objective ID: 933-002-01			
Approved: 6/97		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: (Indicator at the SO Level)			
Indicator: Increases in per-capita food production at a global/regional level.			
Unit of Measure: Per-capita food production index.	Year	Planned	Actual
Source: FAO	1989-91 (B)	NA	100
Indicator/Description: Index of per capita food production: all developing countries. Technical Notes: 1) The index is based on price-weighted quantities of production. 2) The baseline index represents a three-year average for the 1989-91 period. 3) The 1999 data are preliminary and are subject to revision throughout the following year. 4) Historical data for the 1970-99 period are used to derive trends. 5) Projections for 1997-2002 represent an increase of 1.3% over the average of the previous two years. 6) The impact of G/EGAD-sponsored programs is more likely to be evident over a period of years rather than in year-to-year changes, which may be heavily influenced by weather conditions. Moreover, many other factors also influence production and population levels. AFS programs have virtually no effect on these. Nevertheless, because of the nature of EGAD's broad support for Global agricultural research, this is an appropriate indicator to monitor progress in the sector. Comments: The preliminary index of per capita food production for all developing countries in 1999 was 118.3, a slight drop of -0.42%, from the record index of 118.8 achieved in 1998 and an increase of 18.3% compared to the base period of 1989-91. Even so, 1999 represented only one of three declines in the rate of growth since 1972 and was the second largest. The relative indexes by regions (not shown) for 1999 were: Africa 103.0, Latin America and Caribbean 112.8, and Asia 123.0. Changes compared to 1998 were Africa – 0.87%, Asia –0.65%, and LAC +0.89%. The rankings of the 1999 indexes, compared to the previous 20 years, were: Africa 3 rd highest, Asia 2 nd , and LAC 1 st . Thus the decline in 1999 was due to the less favorable production/population balances in Africa and Asia. Subsequent data suggest that the rate of population growth in both regions exceeded the rate of expansion in the rate of food production. This has been the case in Africa for some time but is new to Asia as a whole: of 40 Asian countries, of widely varying size, 26 or nearly 2/3 – spread throughout Asia - experienced a decline in their index in 1999.	1995	NA	112.5
	1996	NA	115.8
	1997	115.6	117.8
	1998	118.3	118.8
	1999	119.8	118.3
	2000	120.1	NA
	2001	120.7	NA
	2002	122.0	NA

Performance Data Table

Objective Name: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
Objective ID: 933-002-01			
Approved: 6/97		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: IR 2.1: Sustainable technologies and policies that enhance food availability developed and adopted.			
Indicator: Increased food production by region/country.			
Unit of Measure: Food production index.	Year	Planned	Actual
Source: FAO	1989-91 (B)	NA	100
Indicator/Description: Index of food production: All Developing Countries.	1995	NA	122.9
	1996	NA	128.6
	1997	129.1	132.2
	1998	133.9	136.2
	1999	137.8	137.9
	2000	140.8	NA
	2001	143.1	NA
	2002 (T)	145.8	NA
<p>Technical Notes: 1) The index is based on price-weighted quantities of production. 2) The baseline index represents a three-year average for the 1989-91 period. 3) The 1999 data are preliminary and are subject to revision through the following year. 4) Historical data for the 1970-99 period are used to derive trends. 5) Projections for 1997-2002 represent an increase of 2.7% over the average of the previous two years. 6) The impact of G/EGAD-supported programs is more likely to be evident over a period of years rather than in year-to-year changes, which may be heavily influenced by weather conditions. Moreover, many other factors also influence production levels.</p> <p>Comments: The preliminary index of overall food production for all developing countries in 1999 was 137.9, a record high and an increase of 1.25% over the index of 136.2 achieved in 1998 and 37.9% over the 1989-91 base period. However, it was the slowest rate of annual increase since 1972. The relative indexes by region (not shown) compared to 1998 were: Africa 128.9, LAC 131.0, and Asia 141.4. Changes compared to 1998 were: Asia +0.86%, Africa +1.58%, and LAC +2.5%. All the 1999 indexes represented the highest indexes reported for the 30-year period from 1970 to 1999. The growth in African food production in 1999 was all the more remarkable because it followed a substantial increase (+5.0%) in 1998 (production levels are particularly volatile in Africa). Thus it appears that the relatively low rate of growth of overall food production in 1999 can be, surprisingly, laid more to Asia than to Africa. Within Asia, of the 40 countries of widely varying size, 9 experienced decreased production (including Korea and Pakistan), 10 showed no change, and 4 had growth rates of less than 1% (including, most importantly, China (+0.8%) and Indonesia (+0.1%)). On the other hand, significant increases were recorded in Bangladesh (+3.9%), India (+3.2%), and the Philippines (+4.7%).</p>			

Performance Data Table

Objective Name: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
Objective ID: 933-002-01			
Approved: 6/97		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: IR 2.1: Sustainable technologies and policies that enhance food availability developed and adopted.			
Indicator: Increased yields and/or reduced production costs for targeted crops/commodities in selected countries.			
Unit of Measure: Kilograms per hectare.	Year	Planned	Actual
Source: FAO	1989-91 (B)	NA	2,399
Indicator/Description: Average combined yield of cereals (primarily wheat and rice with small quantities of other cereal grains), all developing countries.	1995	NA	2,586
	1996	NA	2,683
	1997	2,666	2,700
	1998	2,724	2,751
	1999	2,758	2,755
	2000	2,786	NA
	2001	2,804	NA
Technical Notes: 1. The baseline represents a three-year average for the 1989-91 period. 2. The 1999 data are preliminary and are subject to revision throughout the year. 3. Historical data for the 1970-99 period are used to derive trends. 4. Projections for 1997-2002 represent an increase of 1.2% over the average of the previous two years. 5. The impact of G/EGAD-sponsored programs is more likely to be evident over a period of years rather than in year-to-year changes, which may be heavily influenced by weather conditions. Moreover, many other factors influence yield levels. Comments: Yields rose slightly above 1998 (+0.145%) and reached record levels. They were 14.8% above the 1989-91 level. The rate of increase was fairly steady from 1970 to 1989, but has slowed nearly in half during the past decade.	2002 (T)	2,829	NA

Performance Data Table

Objective Name: Improved food availability, economic growth and conservation of natural resources through agricultural development.			
Objective ID: 933-002-01			
Approved: 6/97		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: IR 2.1: Sustainable technologies and policies that enhance food availability developed and adopted.			
Indicator: Increased yields and/or reduced production costs for targeted crops/commodities in selected countries.			
Unit of Measure: Kilograms per hectare.	Year	Planned	Actual
Source: FAO	1989-91 (B)	NA	1,654
Indicator/Description: Average combined yield of coarse grains (corn, barley, rye, oats, millet and sorghum), all developing countries.	1995	NA	1,845
	1996	NA	1,973
	1997	1,941	1,856
	1998	1,947	2,052
	1999	1,987	1,962
	2000	2,041	NA
	2001	2,036	NA
Technical Notes: 1. The baseline represents a three-year average for the 1989-91 period. 2. The 1999 data are preliminary and are subject to revision throughout the following year. 3. Historical data for the 1970-99 period are used to derive trends. 4. Projections for 1997-2002 represent an increase of 1.7% over the average of the previous two years. 5. The impact of G/EGAD-sponsored programs is more likely to be evident over a period of years rather than in year-to-year changes, which may be heavily influenced by weather conditions. Moreover, many other factors influence yield levels	2002 (T)	2,073	NA
	Comments: Yields decreased moderately (-4.39%) from the record level of 1998. Still, they were 18.6% above the 1989-91 level. The overall rate of increase has grown fairly steadily over the past 20 years.		

Text for SpO1

Country/Organization: Center for Economic Growth and Agricultural Development.

Objective ID: 933-007-01

Objective Name: Increased science and technology cooperation among Middle Eastern and developing countries, and utilization of U.S. and Israeli technical expertise by developing countries

Self Assessment: On Track

Self Assessment Narrative: Progress towards this Special Objective is assessed as being on track

Primary Link to Strategic Agency Framework: 1.2 Ag Development/Food Security
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|---|--|
| <input type="checkbox"/> 1.1 Private Markets | <input type="checkbox"/> 1.2 Ag Development/Food Security |
| <input checked="" type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input checked="" type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input checked="" type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input checked="" type="checkbox"/> 5.1 Global Climate Change | <input checked="" type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input checked="" type="checkbox"/> 5.5 Natural Resource Management | <input checked="" type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Developed | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input checked="" type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: National Security

Primary Link to MPP Goals: Regional Stability

Secondary Link to MPP Goals (optional): Economic Development

SUMMARY OF THE SO

Since 1996, G/EGAD has provided support services to the Agency on behalf of U.S interests, primarily those in the Middle East. Three separate programs are involved:

- The U.S.-Israel Cooperative Development Research Program (CDR) is a competitive research grants program for collaborative research activities that involve scientists from Israel working with their counterparts in the developing countries of the world on topics in

agriculture, natural resources, health, engineering, and social sciences. Grants are selected based upon technical merit and relevance to the needs of the developing countries. U.S. scientists may also participate in a CDR grant;

- The Middle East Regional Cooperation Program (MERC) is a competitive research grants program specifically focussed on promoting the Peace Process through the collaboration of Arab and Israeli scientists on topics relevant to development in the Middle East region. U.S. scientists may also participate in a MERC grant, but projects are required to demonstrate significant levels of direct Arab-Israeli cooperation; and
- The U.S.-Israel Cooperative Development Program (CDP) is implemented by MASHAV, the development cooperation unit of the Israeli Ministry of Foreign Affairs, as a core grant to partially fund the overall Israeli development assistance program. MASHAV uses its USAID funding (provided as a cash transfer) primarily to train developing country personnel in both Israel and their home countries in fields such as irrigated crop production, dairy management and a variety of health, small business, and rural development topics.

KEY RESULTS

Technical Leadership. In FY 99, G/EGAD provided technical leadership in the review of 19 CDR and 15 MERC proposals, working with the U.S. National Academy of Sciences (NAS), the Department of State (DOS), and five panels of *pro bono* scientific peer reviewers to assure that funding is directed to proposals which adhere to high standards of scientific investigation. In addition, the Israeli Program (IP) staff in G/EGAD, working with NAS support, evaluated 132 pre-proposals submitted to CDR and 94 submitted to MERC. The collaborative nature of each project is of paramount importance, and, in the MERC Program, the ESF funding provided by the DOS for this program is premised on the Middle East Peace Process outcomes. In the course of IP's review processes, provisos are placed on most of the grant awards, with the result that the funded projects are strengthened technically and in terms of collaboration and relevance to development.

Field Support. Research funded under the CDR and MERC programs is often conducted in developing and transitional countries in which USAID has missions. Missions are made aware of pending grants but are rarely involved in the projects themselves. The research guidelines that are used, however, do respond to the interests of both the ANE and E&E Bureaus, especially as E&E buys-in to CDR to support activities in the historically Muslim Central Asian Republics (CAR) and in the Republic of Georgia. The guidelines also respond to interests of the DOS's Near East Bureau. Both USAID/ANE and DOS/NEA personnel participate in revising the MERC guidelines and serving on the MERC project selection committee. IP continued its partnership with DOS/NEA and the Tel Aviv Embassy in the implementation of the CDR program. That relationship was expanded in FY 99, delegating to the Tel Aviv Embassy staff the award and oversight of the smaller MERC grants to be implemented by institutions in the region. The Embassy also continues to work with M/OP to resolve issues associated with several larger MERC procurement actions that have directly involved grantees in the region.

In July, 1999, MASHAV, the Israeli development agency that is part of the Ministry of Foreign Affairs and the recipient of the Cooperative Development Program (CDP) funding, hosted a two-day consultation with G/EGAD staff in Jerusalem. At the invitation of G/EGAD, representatives from USAID/Central Asian Republics, USAID/Jordan, and USAID/West Bank-

Gaza also participated in the meetings. Discussions centered on the USAID proposal that the relationship between MASHAV and USAID be transformed from one of donor-recipient to one of partnership. The Director of the USAID/CAR Mission pronounced his mission ready and willing to work toward this goal on a pilot basis. Plans were made for Israeli participation in the Mission's strategy development exercise; E & E Bureau agreed to provide additional "transition" funding to permit MASHAV to close out some of the CDP activities that would not receive bilateral support (due to perceived priority, effectiveness, etc.). Moving to a country-based programming modality will be a major operational change for MASHAV, but could lead to a more satisfactory and better-funded technical assistance partnership with USAID missions in many countries.

Direct Development Impact: Periodic progress reports are required for all three programs and USAID undertakes field evaluations of grants from time to time. Given the nature of the CDR and MERC programs, where the major activity is research, annual tracking of development impact is difficult. A CDIE evaluation completed more than two years ago indicates the results of the type of research being funded under CDR and MERC are having an impact on the spread of appropriate technology in a wide variety of agricultural, biological and health areas. Technical results from this collaborative research included improved agricultural production technologies for irrigated agriculture, advances in saline agriculture, improved water management technology for agriculture, improved biopesticides and their management, enhanced understanding of emerging diseases, and improved systems for natural resources and wildlife management.

The fundamentally political goal of the CDP, increasing the diplomatic and commercial acceptance of Israel throughout the developing countries of Africa, Asia, Latin America, and the CAR, has been achieved. MASHAV now has development assistance relationships with more than 70 countries around the world. While the CDP/MASHAV program is more applied in nature, a great deal of USAID-provided core funding is used to support training efforts both in Israel and in developing countries. Short-term and long-term technical assistance in a variety of fields responds to country requests; USAID missions report that some of this technical assistance has been very helpful but is often too small and too unfocused to have a major impact. The partnership approach is one means that USAID/CAR sees as a way to increase the impact of MASHAV's assistance.

PERFORMANCE AND PROSPECTS

USAID funding has catalyzed cooperation that otherwise would not have occurred, and United States involvement has enabled Israeli collaboration in countries otherwise closed to Israel. The effectiveness of these programs, particularly MERC, is dependent upon the political track of the Peace Process, as well as the willingness of participants to engage in cooperation in the face of these concerns. Recent formal Peace Process setbacks have had less effect on the MERC Program than delays in administrative approvals caused by changes of government in the region, and by the U.S. statutory prohibition against funding ministries within the Palestinian Authority itself. Also, CDR and CDP activities in Central Asia are dependent on donor and import restrictions and institutional and administrative problems in the assisted countries.

Due to the issues cited above, coinciding with changes in funding and management at USAID and an almost complete turnover of MERC grants during FY 1997 and 1998, our collaboration indicators for the CDR and MERC grants programs have fallen behind targets. However, in FY 1999, with a number of new MERC projects fully operational, cooperation as measured by in-country meetings and joint workshops has sharply increased from 14 to 37, exceeding our target of 25. The number of jointly authored technical publications, an indicator of more substantive collaboration, is also expected to increase as these projects mature. G/EGAD's recent emphasis on a larger number of smaller grants is expected to catalyze more direct collaboration.

MASHAV uses nearly all its U.S. funds for activities outside the Middle East, and the number of technical assistance consultancies requested and filled remained fairly constant. However, the overall MASHAV Program's emphasis on expanding Middle East activities continued despite concerns in the region, with the number of trainees from other Middle Eastern countries increasing from 1032 to 1236 in FY 1999, meeting projections. Due to the loss of outside funding earmarked for the region, this growth may be difficult to sustain. However, we have encouraged MASHAV to give priority to Middle East activities within existing budgets and to develop specific proposals with Arab partners that would be more sustainable and attractive to other donors, including the USAID bilateral programs in the region.

POSSIBLE ADJUSTMENTS TO PLANS

With the acceptance of the State of Israel throughout most of the developing world, the original goals of the centrally funded CDP have been achieved. While USAID and MASHAV are beginning to implement a transition to a new partnership at the field level, in which potential joint ventures are identified by MASHAV and individual Field Missions and considered for U.S. funding as they fit within the USAID strategic objectives for each country, there has been a reluctance in Congress and the DOS to promote this new approach. No changes are anticipated in the objectives of the CDR and MERC Programs or in their management.

OTHER DONOR PROGRAMS

The Government of Israel, which manages the CDP, contributes 1/3 of the funding attributed to that program. CDR and MERC projects receive matching funds, at levels varying widely among individual grants. These funds come from Israeli and collaborating Arab and developing country research institutions, as well as from participating U.S. partners, such as the University of Michigan, Texas A&M University, Harvard University, San Jose State University, the U.S. Geological Survey, and the National Institutes of Health.

PRINCIPAL CONTRACTORS, GRANTEEES OR AGENCIES

The Government of Israel, Ministry of Foreign Affairs administers CDP, in practice as a buy-in to its own foreign assistance program. MERC and CDR grants are awarded by USAID and the U.S. Embassy in Tel Aviv directly to Israeli and U.S. research institutions, which, in turn, make sub-grants to their collaborating partner institutions. The U.S. NAS assists USAID in the peer review of proposals for CDR and MERC, as well as in the monitoring of technical performance reports.

Performance Data Table

Objective Name: : Increased science and technology cooperation among Middle Eastern and developing countries, and utilization of U.S. and Israeli technical expertise by developing countries.			
Objective ID: 933-007-01			
Approved: 6/97		Country/Organization: Center for Economic Growth and Agricultural Development	
Result Name: IR 1.1: Collaboration between Israeli and other Middle Eastern or developing country scientists established.			
Indicator: Number of joint publications			
Unit of Measure: Number of publications authored by both Israeli and Middle Eastern or developing country scientists.	Year	Planned	Actual
	FY1996	NA	25
	FY1997	35	32
Source: Annual grant reports	FY1998	40	34
Indicator/Description: Number includes all grants in MERC and CDR .	FY1999	50	34
	FY2000	50	
	FY2001	50	
Comments: AmEmbassy Tel Aviv and the National Academy of Sciences review progress reports submitted as a grant requirement from the grantees, and derive the number of joint publications submitted that fiscal year.	FY2002	50	
	The targets were set based on estimates in 1997 and the assumption of relatively constant budgets for the overall programs. Experience in 1998,1999 indicates that these targets may have been ambitious for the years listed, but eventually achievable.		
The fact that not all grantees file progress reports on time is a limitation of the data. FY 1999 results are based upon a compliance rate of 86% of the grantees.			

Performance Data Table

Objective Name: Increased science and technology cooperation among Middle Eastern and developing countries, and utilization of U.S. and Israeli technical expertise by developing countries.				
Objective ID: 993-007-01				
Approved: 6/97		Country/Organization: Center for Economic Growth and Agricultural Development		
Result Name: IR 1.1: Collaboration between Israeli and other Middle Eastern or developing country scientists established.				
Indicator: Number of regional meetings and workshops per year.				
Unit of Measure: Number of meetings and workshops in the Middle East or developing countries per year.		Year	Planned	Actual
		FY1996	NA	10
Source: Annual grant reports		FY1997	15	17
Indicator/Description: Number is cumulative across all grants in MERC and CDR .		FY1998	20	14
		FY1999	25	37
		FY2000	30	
		FY2001	30	
Comments: AmEmbassy Tel Aviv and the National Academy of Sciences review progress reports submitted as a grant requirement from the grantees and derive the number of meetings and workshops reported that FY. With changes in funding and management at USAID and the ending and replacement with new MERC grants during FY 1997 and 1998, the collaboration indicators for the CDR and MERC grants programs fell behind targets. However, in FY 1999, with a number of new MERC projects fully operational, cooperation as measured by in-country meetings and joint workshops has sharply increased from 14 to 37, exceeding the target of 25.		FY2002	30	
The fact that not all grantees file progress reports on time is a limitation of the data. FY 1999 results are based upon a compliance rate of 86% of the grantees.				

Performance Data Table

Objective Name: Increased science and technology cooperation among Middle Eastern and developing countries, and utilization of U.S. and Israeli technical expertise by developing countries.			
Objective ID: 993-007-01			
Approved: 6/97		Country/Organization: Center for Economic Growth and Agricultural Development	
Result Name: IR 1.2: Israeli agricultural technical expertise transferred to Middle Eastern and developing countries.			
Indicator: Sustained FY 1996 level of technical assistance consultancies in developing countries.			
Unit of Measure: Number of consultancies	Year	Planned	Actual
Source: MASHAV requests for payments	FY1996	NA	90
Indicator/Description: Number of requests for technical consultants filled USAID funding of this program is projected to decline, thus FY 2002 target lowered to 70.	FY1997	90	78
	FY1998	90	102
	FY1999	90	99
	FY2000	90	
Comments: Data for fiscal year consultancies attributed to USAID's core contributions to Israeli program can be derived from the vouchers sent to USAID for payment.	FY2001	90	
	FY2002	70	

Performance Data Table

Objective Name: Increased science and technology cooperation among Middle Eastern and developing countries, and utilization of U.S. and Israeli technical expertise by developing countries.			
Objective ID: 933-007-01			
Approved: 6/97		Country/Organization: Center for Economic Growth and Agricultural Development	
Result Name: IR 1.2: Israeli agricultural technical expertise transferred to Middle Eastern and developing countries.			
Indicator: Number of trainees from Middle Eastern countries (total MASHAV program).			
Unit of Measure: Number of trainees	Year	Planned	Actual
Source: MASHAV: Annual Reports	CY1996	NA	600
Indicator/Description: Number of trainees from Middle Eastern countries (only) attending MASHAV courses each calendar year	CY1997	800	601
	CY1998	1000	1032
	CY1999	1200	1236
	CY2000	1300	
	CY2001	1400	
Comments: The Israeli Development Agency (MASHAV) keeps its records in calendar years.	CY2002	1500	
	USAID is reliant upon another nation to self-report on its own foreign assistance activities. Due to issues of sovereignty, the US is not in a position to independently verify these data. This situation might be viewed as a data limitation.		

Text for SO1

Country/Organization: Center for Economic Growth and Agricultural Development

Objective ID: 933-001-01

Objective Name: Improved access to financial and business development, particularly for the microenterprises of the poor.

Self Assessment: On Track

Self Assessment Narrative: Overall progress towards achievement of the SO is on track

Primary Link to Strategic Agency Framework: 1.3 Economic Oppty for Rural/Urban Poor
(please select only one)

Secondary Link to Strategic Agency Framework:
(select as many as you require)

- | | |
|--|--|
| <input checked="" type="checkbox"/> 1.1 Private Markets | <input checked="" type="checkbox"/> 1.2 Ag Development/Food Security |
| <input type="checkbox"/> 1.3 Economic Opportunity for Poor | <input type="checkbox"/> 2.1 Rule of Law/Human Rights |
| <input type="checkbox"/> 2.2 Credible Political Processes | <input type="checkbox"/> 2.3 Politically Active Civil Society |
| <input type="checkbox"/> 2.4 Accountable Gov't Institutions | <input type="checkbox"/> 3.1 Access to Ed/Girl's Education |
| <input type="checkbox"/> 3.2 Higher Ed/Sustainable Development | <input type="checkbox"/> 4.1 Unintended Pregnancies Reduced |
| <input type="checkbox"/> 4.2 Infant/Child Health/Nutrition | <input type="checkbox"/> 4.3 Child Birth Mortality Reduced |
| <input type="checkbox"/> 4.4 HIV/AIDS | <input type="checkbox"/> 4.5 Infectious Diseases Reduced |
| <input type="checkbox"/> 5.1 Global Climate Change | <input type="checkbox"/> 5.2 Biological Diversity |
| <input type="checkbox"/> 5.3 Sustainable Urbanization/Pollution | <input type="checkbox"/> 5.4 Environmentally Sound Energy |
| <input type="checkbox"/> 5.5 Natural Resource Management | <input checked="" type="checkbox"/> 6.1 Impact of Crises Reduced |
| <input checked="" type="checkbox"/> 6.2 Urgent Needs in Time of Crisis Met | <input type="checkbox"/> 6.3 Security/Basic Institutions Reestablished |
| <input type="checkbox"/> 7.1 Responsive Assist Mechanisms Develop | <input type="checkbox"/> 7.2 Program Effectiveness Improved |
| <input checked="" type="checkbox"/> 7.3 Commit Sustainable Development Assured | <input checked="" type="checkbox"/> 7.4 Technical/Managerial Capacity Expand |

Link to U.S. National Interests: Economic Prosperity

Primary Link to MPP Goals: Economic Development

Secondary Link to MPP Goals (optional): No Secondary Linkage

SUMMARY OF THE SO:

USAID's support for microenterprise development advances its strategic objective of expanding economic opportunity and access for the poor. It also complements efforts to promote private sector, market-oriented economic growth and agricultural development. Throughout the developing world, tiny, informally-organized business activities provide vital income, assets, and

jobs for millions of families. In transition economies, too, micro and small enterprises are beginning to form the new entrepreneurial base for broad-based economic growth.

USAID has been a worldwide leader in microenterprise development, a leadership role strongly supported by the American people and the U.S. Congress. The field is growing, and growing fast. Capacity in developing countries and transition economies to deliver financial and other development services is increasing rapidly. This capacity is no longer confined to USAID's traditional nongovernmental partners, but is shared by larger commercial intermediaries as well. USAID's challenge is to grow with the field -- to identify and disseminate innovation and best practices, to increase program impact by "scaling up and reaching down", and to identify and resolve emerging issues. The Office of Microenterprise Development (MD) and the Credit and Investment (CI) staff in G/EGAD are meeting that challenge.

KEY RESULTS

Technical Leadership. *Donor coordination in microfinance.* USAID was instrumental in establishing the Consultative Group to Assist the Poorest (CGAP) several years ago. Now a 27-member donor group, CGAP has proved to be an excellent vehicle for donor and practitioner coordination on microfinance. MD staff serve in key CGAP leadership roles and helped develop the CGAP Technical Tools that now set the standards for the microfinance field.

-- *Commercialization of microfinance.* Facing increased competition due to financial liberalization, commercial banks and finance companies are starting to enter the microfinance arena. In September, 1999, more than 50 bankers from 20 institutions in 12 countries attended the fourth in a series of MD-sponsored conferences for commercial bankers. Exposed to new technologies, Chilean bankers are now testing the use of Palm Pilots as tools for credit analysis and Paraguayan finance companies are creating credit scoring models. These kinds of awareness seminars as well as skills training and the use of guarantees encourage the trend toward mainstreaming microfinance into the formal commercial financial sector.

-- *Role of Regulation.* The level of appropriate regulation and supervision of microfinance institutions (MFIs) has also become an important topic of debate. An MD-sponsored consultative workshop held in Washington, D.C., in May, 1999, with 25 (invited) advisors to central banks, Ministries of Finance, and other donors charted out the "best practices." Two landmark analytical papers were associated with this workshop. Both are posted on the Microenterprise Innovation Project website (<http://www.mip.org>).

-- *Business development services (BDS).* In 1999, for the first time, MD's Implementation Grant Program (IGP) was divided into two components: financial services and BDS. The BDS competition attracted some 45 applicants for FY 1999 funds and 37 applicants for FY 2000 funds. Winning organizations reflect emerging best practices, proposing to provide demand-driven and cost-covering products and services.

-- *Impact measurement.* MD's "Assessing the Impact of Microenterprise Services" (AIMS) activity published five evaluation and interview tools for practitioners during FY 99 after field-testing them in Morocco, Honduras, Bolivia, and Uganda. Already, MFIs are embracing the tools as low-cost way to measure impact and understand clients' needs. Authors of the World

Bank's World Development Report (WDR) for 2001 asked MD staff and AIMS researchers to undertake in-depth research on microfinance and the poor. The findings illuminate how poor borrowers use microcredit as one element of often-complex household and business strategies to reduce their vulnerability to external shocks. This contribution is important to the WDR analysis and has stimulated practitioner debates about design and delivery of improved products.

Field Support. G/EGAD supports Mission-initiated efforts as well as global innovation in microfinance and microenterprise. Regional bureaus contribute funding to the \$20+ million in "central" funding managed by MD and, in return, expect that IGP activities will be of direct benefit to their region. Missions cost-share the competitive PRIME grants with MD, provide support to the global IGP competitive grants and receive, via a range of MD instruments, technical support and training. The Micro and Small Enterprise Development (MSED) program supports Mission strategic objectives but, until now, has not required Mission financial buy-in.

-- *Competitive Grants.* In FY 99, MD selected 11 IGP/Microfinance grants totalling \$12 million in 11 countries and seven IGP/BDS grants totalling \$3 million in six countries. Pre-award assessments of 14 organizations help assure sound organizational development and financial viability down the road. The FY 99 microfinance programs alone are expected to reach some 300,000 new loan clients. MD's contribution will be approximately \$3.5 million for the ten PRIME grants awarded in FY 99.

-- *Technical support and training.* MD staff and contractor personnel worked directly with 34 Missions in FY 99 (exceeding the target of 31). CI staff spent 145 days on TDY in 25 countries and directed the organization of 15 banker training courses in 10 countries. MD staff served as instructors at the microfinance training courses held at the Economics Institute in Boulder, CO, and the Microenterprise Development Institute at New Hampshire College. MD also funded 14 participants to these courses to develop the new microenterprise leaders in developing countries.

Direct Development Impact. Early estimates for FY 1999¹ show that the number of active borrowers under G/EGAD's directly-managed IGP and PRIME programs reached 1,145,918 -- exceeding our target of 900,000. The quality of that portfolio is very good. The percent of portfolio at risk (as measured by late payments) was 7.8 percent - well below the 10 percent ceiling established as USAID policy. Out of 49 microfinance intermediaries supported under MD programs, 36 had become operationally self-sustaining (up from 22 a year earlier). In 1998, MD recorded 1.89 million savers, just slightly under our 1.9 million target. Savings institutions are growing quickly with our support.

The MSED program is currently active in 22 countries. At the close of FY 1999, aggregate guarantee commitments stood at \$72 million. Cumulative credit, i.e., total loans extended by the 45 banks and MFIs currently participating in the program, amounted to \$284 million. Groundwork was completed in FY 99 for new facilities in Senegal, Moldova, Ukraine, and Bulgaria. Nine new facilities were established in the LAC Region in FY 1999, mobilizing \$30 million in loan funds. A total of 2,080 loans were extended by participating financial institutions

¹ Congressional interest in microfinance and significant White House support demands annual publication of funding levels and awardees' results. To facilitate more timely reporting, MD's new internet-based reporting system went on-line in FY 99 (www.mrreporting.org).

with an average loan size of \$8,651. First-time borrowers averaged 30% of total borrowers and the average collateral requirement was 67% of the loan value.

PERFORMANCE AND PROSPECTS

The overall performance of G/EGAD in promoting the access of micro- and small entrepreneurs to expanded lending has been impressive. FY 99 brought gains in: the numbers of borrowers and savers; financial soundness and sustainability of microfinance institutions; understanding of appropriate policies and programs to develop a profitable microenterprise sector that helps meet employment and income needs of large numbers of individuals and families in transitional and developing countries; and influence on donor best practices, new tools, and better monitoring approaches.

Innovative guarantee mechanisms (such as portable guarantees) have expanded the impact of the MSED program and provided a better basis for implementing the Agency's new Development Credit Authority (DCA). Since it has become clear, by the end of FY 99, however, that CI staff would need to take on increased responsibilities in the DCA program management, the FY 2001 Congressional Presentation did not request new appropriations for MSED as a stand-alone credit guarantee authority. DCA approaches can accomplish MSED objectives, although the Missions' interest in and commitment to using their own OYB to implement such programs remains to be seen.

POSSIBLE ADJUSTMENTS TO PLANS

The increasing attention to microfinance regulation and supervision suggests greater interaction between MD staff and the Office of Emerging Markets (EM). There is also a clear need to reconsider the question of microfinance better serving poor rural and agricultural populations so better collaboration with the Agriculture and Food Security (AFS) Office is indicated. For these reasons, the Center's new Strategic Plan will include a modified Strategic Objective that, in addition to focussing on a higher, more impact-oriented level, will provide an opportunity to better integrate EGAD programs.

OTHER DONORS' PROGRAMS

There are many multilateral, bilateral, and specialized organizations (such as CGAP, SEEP, the Donors' Committee on Small Enterprise Development) active in microenterprise development.

MAJOR CONTRACTORS AND GRANTEES

MSI, DAI, Chemonics, Weidemann, and some 50 non-governmental organizations.

Performance Data Table

Objective Name: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor			
Objective ID: Objective ID: 933-001-01			
Approved: 3/24/98		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: IR 1: Expanded Delivery of Financial and Non-Financial Services to Microentrepreneurs			
Indicator: Number of active borrowers of institutions supported by G/EGAD/MD programs			
Unit of Measure: Number of active borrowers	Year	Planned	Actual
Source: G/EGAD/MD's IGP and PRIME programs and the Grameen Trust	1995 (B)	NA	233,711
	1996	300,000	364,326
Indicator/Description: Number of active borrowers of Institutions supported by G/EGAD/MD programs	1997	400,000	515,349
	1998	600,000	887,288
	1999	900,000	1,145,918
	2000	1,200,000	NA
Comments: 95 Baseline data: IGP: 42,967; PRIME: 111,000; Grameen: 79,744. 96 Breakdown: IGP: 70,993; PRIME: 161,373; Grameen Trust: 131,960 (included all Grameen replicants). 97 Breakdown: IGP: 234,580; PRIME: 221,713; and Grameen Trust: 59,056 (only countries supported under IGP grant). 98 Breakdown: IGP: 362,183 (as of 9/1998); PRIME: 368,889 (as of 12/1997); Grameen Trust: 156,216 (as of 12/98) 99 Breakdown: IGP: 584,627 (as of 9/99); PRIME: 421,531 (as of 12/98); Grameen Trust: 139,760 (as of 8/99). Composition of targets continues to be highly dependent on large programs which are active. Targets have been increased only slightly for 2000 and 2001 as new large programs are not expected. Data are largely self-reported, although verified through field assessments, other donor reports, and audited financial statements. Each grant is assessed in the field by a MD staff member at least once during the grant period.	2001	1,250,000	NA
	2002	1,300,000	NA

Performance Data Table

Objective Name: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor			
Objective ID: 933-001-01			
Approved: 3/24/98		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: IR 2: Increased Capability of Financial and Non-Financial Institutions to Service Microenterprises			
Indicator: Portfolio at risk of microenterprise institutions.			
Unit of Measure: Weighted average of the portfolio at risk (PAR) rate for all institutions supported under the IGP.	Year	Planned	Actual
	1996	10%	10%
	1997	10%	6%
Source: G/EGAD/MD's IGP program only.	1998	10%	8%
Indicator/Description: Delinquent outstanding balance over 30 or 90 days.	1999	10%	8%
	2000	10%	NA
	2001	8%	NA
Comments: In 1996, portfolio at risk skyrocketed to 29% and 34% in IGP programs in Zimbabwe and Bulgaria. G/EGAD/MD closed down the Zimbabwe program.. The weighted average of the portfolio at risk for the IGP programs stands at 10%. In 1997, weighted average for IGP programs improved and stood at 6%, despite difficulties in Cambodia. Bulgaria showed improvement. In 1998, weighted average for IGP programs stands at 8%. In 1999, weighted average for IGP programs was 8% Data are largely self-reported, but verified through field assessments, donor reports and audited financial statements.	2002	8%	NA

Performance Data Table

Objective Name: Improved Access to Financial and Non-Financial Services for Microenterprises of the Poor			
Objective ID: 933-001-01			
Approved: 10/6/98		Country/Organization: Center for Economic Growth and Agricultural Development.	
Result Name: Encourage indigenous financial institutions to increase lending to micro and small businesses.			
Indicator: Utilization rate for the entire MSED portfolio.			
Unit of Measure: Utilization rate as of Fiscal Year End (FYE) for the worldwide MSED portfolio.	Year	Planned	Actual
Source: Contractor reports	1992	50%	24%
	1993	50%	32%
Indicator/Description: Amount of total loans outstanding (guaranteed portion) as of FYE as a percentage of aggregate Guarantee Limits (includes direct loan facilities).	1994	40%	36%
	1995	30%	30%
	1996	35%	29%
	1997	40%	29%
Comments: The indicator measures efficiency in identifying suitable intermediate financial institutions (IFIs) for the LPG Program, determining the appropriate portfolio size, promoting active utilization of the guarantee facilities, managing and monitoring IFI performance, and taking actions to reduce (the size of) or terminate non-performing facilities.	1998	50%	24%
	1999	50%	25%
	2000	50%	NA
	2001	50%	NA
	2002	50%	NA
The planned utilization targets were not met due to a number of factors related to the banking crisis in Russia, cancellation of a number of facilities, and establishment of a number of new facilities which have a start-up phase. The total number is highly dependent on the mix of new (low utilization) and mature (higher utilization) programs. [Each year when new facilities are added, it usually brings down the level of utilization due to the normal lag time needed to get new facilities up and running.]			

Performance Data Table

Objective Name: Improved Access to Financial and Business Development Services, Particularly to the Microenterprises of the Poor.				
Objective ID: 933-001-01				
Approved: 10/6/98		Country/Organization: Center for Economic Growth and Agricultural Development.		
Result Name: Create linkages between formal financial institutions and micro and small businesses with the purpose of facilitating sustainable access to credit for those sectors.				
Indicator: Change in average loan size within an intermediate financial institution (IFI)'s portfolio under loan portfolio guarantee (LPG) coverage, per year, over the course of the five-year term of the guarantee.				
Unit of Measure: Average loan size by IFI under LPG coverage		Year	Planned	Actual
		FY1993	\$9,500	\$ 8,462
Source: Quarterly qualifying loan schedules submitted by IFI's		FY1996	\$8,000	\$6,800
		FY1997	\$7,900	\$15,600
Indicator/Description: Average size of loan or line of credit granted to borrower by IFI under LPG coverage.		FY1998	\$7,800	\$24,000
		FY1999	\$7,700	\$8,651
		FY2000	\$7600	NA
		FY2001	\$7500	NA
Comments: The indicator seeks to examine the characteristics of the LPG portfolio of loans by measuring change in average size of loans made by participating IFIs, smaller loans suggest newer, smaller borrowers accessing IFIs.		FY2002	\$7500	NA
Average loan size dropped significantly in FY 1999 when Banco Solidario (Ecuador) joined the LPG program. This bank, which specializes in micro-lending, placed 2080 small loans in the course of the year.				

R4 Part III: Resource Request

Overview

In FY 99, the Center's budget continued its downward trend, with the shortage of "other economic growth" Development Assistance (DA) funding bringing the SO #3 research and support program to a virtual standstill. Our FY 2002 budget, at the **management control (MC) level** provided to us, \$74.489 million, should be adequate to implement our new Strategic Framework and re-establishes "global" funding for the Center's microenterprise development program. Our **request level** of \$82.650 million of DA funding would enable us to better achieve results associated with the new Strategic Framework. Neither budget level meets partner-expected levels of funding in directives and earmarks; current estimates of the unmet needs top \$20 million.

Maintaining a critical mass of technical, program, and support staff in the Center is also key to performance. In FY 99, the Center had enormous difficulty recruiting highly-qualified USDH staff to fill vacancies in the staffing pattern. Steps have been taken to improve the situation, such as more proactive recruiting, upgrading of positions, negotiating for a program activities support services contract, and working with the Agency to hire and mentor New Entry Professionals (NEPs) in Backstops 10, 11, and 21. Nevertheless, we anticipate that staff recruitment will continue to be a major challenge for the Center. To help address the management, administrative and personnel concerns of the Center, we are proposing a net increase of one in our USDH level to acquire the services of an experienced EXO or management analyst. The EXO position would bring EGAD's FTE to 42 in FY 01 and 02, instead of the 41 at the management control level.

A. Financial Plan: Funding Request by Objective

The Center's MC level for FY 2002 is \$74.489 million, just \$2 million above the new FY 2001 MC level (which includes \$8 million in additional funding from the FY 2001 CP level to cover the agricultural shortfall). The breakouts of our proposed funding at the MC and request level are provided in the accompanying budget tables. For ease of reference, a consolidated detailed summary table by SO is provided in the Supplemental Annex. Our request level of \$82.65 million would provide a solid foundation for achieving our new Strategic Framework.

G/EGAD Strategic Objective 08 (Proposed for FY 2002 - 2010): "Openness and Competitiveness of Market Economies Promoted"

G/EGAD proposes to focus on promoting two characteristics critical for countries' economic success in the 21st century. "Openness" refers to the degree to which countries are open to world trade flows and manage their monetary systems in ways consistent with that exposure. "Competitiveness" reflects the degree to which they are able to participate actively and profitably in world trade. While there is already a substantial body of economic knowledge and practical experience regarding improving openness and competitiveness, every transitional and developing country faces a unique situation. Natural resource endowments, physical infrastructure assets, human resources and workforce capabilities, the stock of technology and R&D capacity, the legal and institutional framework, cultural heritages, traditional trade relationships, and political structures differ widely.

USAID Missions, of course, play a frontline role in promoting openness and competitiveness. G/EGAD's role is not only to backstop efforts that the Missions and regional bureaus are undertaking (e.g., through the management of SEGIR) but also to ensure that what is being done is close to the cutting edge of both theory and practice. Our MC level budget proposes \$8.3 million in Development Assistance (DA) funding for commissioning analytical work, networking the experts, disseminating timely, accurate information to both USAID staff and counterparts, disseminating lessons learned and best practices, developing new techniques and methodologies, and creating partnerships with missions to implement innovative pilot programs.

The Center's role in directly promoting greater international business linkages is accomplished through our award-winning, internet-based Global Technology Network (GTN). GTN directly enables entrepreneurs in countries embracing the concepts of openness and competitiveness to take immediate advantage of that situation by seeking technology and business advice from the U.S. private sector. USAID is directed by legislative language to work with and fund the International Executive Service Corps (IESC) as a partner. GTN's MC level budget is \$5.3 million.

G/EGAD Strategic Objective #09 (Proposed for FY 2002-2010): "Productivity, Efficiency, and Sustainability of Agriculture and Food Systems Increased"

The proposed SO focuses G/EGAD's efforts on three specific aspects of agricultural and food systems development: productivity (yield per hectare and/or worker, crop per drop of water, consumable product per ton of production); efficiency (lower transactions costs per unit of marketed product, lower production costs per hectare, higher value of product per unit of input); and sustainability (especially with regard to continuity of natural resource use but also with regard to institutional capacity). An agriculture and/or food system that shows improvement in all three areas is a system that will result in agricultural development and greater food security for both producers and consumers.

The \$53.75 million at the MC level in FY 2002 for this SO will permit G/EGAD to: sustain the \$20.05 million FY 00 commitment to global agricultural research conducted by the CRSPs and the \$25 million for the CGIAR as well as assuring technically-qualified backstop specialists are on staff; meet the minimum \$2 million directed "core" level for support to the International Fertilizer Development Center (IFDC); fund a renewed Agricultural Biotechnology Sustainability Project (ABSP) Phase II at \$2 million; and provide a slightly increased amount (+\$500,000) to the Partnership for Food Industry Development activity (PFID). The MC level only provides \$1 million for Dairy Directive activities, however, and nothing for any new initiatives. At our request level (\$59.5 million), CRSP management structure would be streamlined, a new initiative on input markets to be launched, and support for BIFAD to be increased by \$100,000. The Dairy Directive could receive \$3.5 million.

G/EGAD Strategic Objective #10 (Proposed for FY 2002-2010): "Poverty Reduction Policies and Services Enhanced"

This new SO integrates a number of existing Center programs that specifically target the poor. Microenterprise development approaches have, in general, been seen as an important way to enable the poor to become more active participants in the economy. Since poverty underlies food insecurity and hunger, agricultural development has been seen as a principal means for lowering food costs (thus, increasing the consumption of the poor) as well as increasing incomes

of producers themselves. Further, with recent changes in World Bank and IMF lending policies, it is clear that a broader array of policy and institutional issues regarding poverty reduction are moving front and center in donor debates.

For FY 2002, the Center's MC level includes \$4.639 million for this SO. This funding will enable a substantial amount of analytical work and networking on poverty reduction issues to be completed through the Agricultural Policy and Analysis Project (APAP) and SEGIR mechanisms. In addition, nearly \$3 million in central DA funding will enable the Office of Microenterprise Development to fully support initiatives that are truly global in impact. At the request level for this SO, \$6.85 million, we would expand the Center's ability to build greater Agency-wide understanding of best practices in poverty reduction.

No DA funding is requested for the Micro and Small Enterprise Development program.

G/EGAD Special Objective #11 (Proposed for FY 2002-2010): "Increased Technical Cooperation among Middle Eastern, Developing Countries and the US"

This Special Objective responds to Agency and Department of State needs for management of three activities in which Israeli partners collaborate with developing and Middle Eastern countries. Funding for two of them is included in our DA budget at the MC and request levels. The \$1 million FY 2002 DA request for core funding for the Cooperative Development Program (CDP) implemented by the Israeli development agency, MASHAV, is intended to be the last such core grant. We assume that the partnership approach initiated in FY 99 will be successful. Continued FY 02 support for the Cooperative Development Research (CDR) Program is sustained at \$1.5 million.

B. External Funding and Agency Initiatives

The Center manages several activities and special programs which are not included in our funding request, but for which we serve as the responsible management entity. Funding may come from a special source, or from multiple sources within the Agency, coordinated through M/B. In addition, we will be exploring the opportunities for collaborating more closely with the Departments of Justice, Commerce, and Treasury, including the possibility of non-reimbursable details to enhance our specialized staff capacity.

- SO # 09. Dairy Directive. Historically, M/B has retained a special "unallocated" line item for this Directive, with G/EGAD simply providing management services. In FY 2000, G/EGAD began to assume a more active role regarding this directive, as it concerns one of the global food industries in which developing countries have growing interest. The level of Congressional agreement with the approach proposed by the Center, however, is unclear at this time. Further discussions with key members of Congress are needed.
- SO #10. MD's core Microenterprise Development budget has, since 1998, come from somewhat-voluntary regional bureau contributions. The contributions to MD have not been proportional to the size of the microenterprise-related budgets in each bureau; they have not been distributed in such a way that an MD-managed global competition for innovative ideas can be managed fairly. We assume that the target level of \$25 million will be maintained for FY 2002, but we request that \$4 million of core Global Bureau DA be provided directly to MD. This will permit MD to undertake truly global activities and, at the margin, improve the outcomes of global competitive grant selection processes.

- SpO #11. The Middle East Regional Cooperation (MERC) program receives ESF funding at the Department of State's discretion. No level has been communicated for FY 2002.

In addition to these funds, field support and buy-in authorities for several activities for which EGAD staff serve as the Cognizant Technical Officer, will raise the level of funding actually managed for other Agency operating units.

C. New Initiatives for FY 2002

Major new initiatives for SO #8 will actually be designed in FY 2001, assuming the FY 2001 CP and MC level for our current SO #3 is appropriated.

The \$8.161 million increment in funding requested *above* the MC level provides for an additional \$400,000 in program support costs, for both the "openness and competitiveness" and "poverty reduction" SOs. These funds will permit us to do a better job of collation, dissemination, and discussion of cross-cutting "best practices" and other "lessons learned" in these complex areas, using both internet sites and conferences and meetings. More importantly, an increase of \$2.211 million in SO #10 will strengthen our capacity to analyze, understand, and support poverty reduction efforts. Of this, an additional \$1 million in the global MD program will permit us to examine in-depth the impact that the first IGP/BDS awards made in FY 00 have had on the prospects for the micro-businesses of the poor. An additional \$1 million in economic/private sector research funding will permit us to examine the impact of the new Poverty Reduction Strategic Plans, and the changes that they will engender in the IMF and World Bank programs, on the overall success of USAID's own programming in economic growth and poverty reduction.

For SO #9, the increment of \$5.75 million at the budget request level will: cover the costs of bringing all CRSP budget cycles into synch -- thereby reducing management costs; initiate a new activity that will seek to strengthen input markets (and encompass the IFDC efforts on fertilizer market development); enable us to undertake a midterm evaluation of this FY 98-launched RAISE mechanism to be completed; boost BIFAD support slightly; and increase Dairy Directive funding by \$2.5 million.

D. Operating Expense (OE) and Staffing Requirements

The OE MC level for FY2002 of \$209,000 is held at the same level as FY00 and FY01, and used for Center travel. Within this level is a \$22,500 set-aside under S.O. #2/#9 to provide travel support for the IFAD Executive Directorate. Given the significant increase in program size in the FY 2001 and 2002 budgets, and assuming we are able to fill our staff vacancies, a straight-lined travel budget is completely inadequate to sustain management and oversight responsibilities, let alone our technical leadership and field support demands. In its role as a "Center of Excellence," providing leadership on the implementation of the Agency's economic growth and agricultural development goal requires that we get our staff out of Washington -- to participate in the development and refinement of mission strategic plans, results packages, and new initiatives. Some of the travel costs associated with these services can often be covered by Missions themselves, but Mission funding is often insufficient to cover donor coordination, conference attendance, independent assessments, outreach, training and other professional

activities. We must provide technical expertise where it is needed and will have the greatest impact for the Agency. Therefore, we are requesting for FY 2001 and FY 2002, \$250,000 and \$265,000, respectively.

In FY 00, the Center is launching an ambitious new technical cross-training program that, over a period of five years, will ensure that all of the Agency's USDH economic growth officers (i.e., Backstops 10, 11, and 21) will spend one full week updating their knowledge about the range of technical issues that such officers face in mission management positions. A special allocation of OE in FY 00 has been received to initiate the design of the core curriculum; additional resources will be sought from regional bureaus if needed. It is anticipated that only a small amount of OE will be needed each year to upgrade the course; logistics costs should be covered by participants with mission funds.

In addition to the one-week intensive course, G/EGAD plans to work with the Economic Growth Sector Council to identify one or two topics or themes for three-day workshops to be held each year. These will be open to broader participation of staff and partners, and will be an essential part of G/EGAD's technical leadership mandate. When it is envisioned that they will principally serve to train or network USAID staff, OE funds will be requested. Otherwise, preparation costs for the workshops should be covered within the program funding requests submitted above.

The EGAD Center has an MC "Bodies on Board" level of 41 for end-FY 2002, eight below our end-FY 99 level due to the proposed move of the CIS staff to a new Development Credit Authority Office outside of EGAD and the reduction of another USDH staff member from the remaining staff. The Center is requesting a plus-up of one to cover the myriad of Center-specific administrative/management/personnel needs that are currently tasked to the Program Support Staff.

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Program, Workforce and OE

(in a separate folder named Country02R2b_data; enter data and print separately)

Mission:

USDH Staffing Requirements by Backstop, FY 2000 - FY 2003

Functional Backstop (BS)	Number of USDH Employees in Backstop in:			
	FY 2000	FY 2001	FY 2002	FY 2003

Senior Management				
SMG - 01	5	5	5	5
Program Management				
Program Mgt - 02	5	5	5	5
Project Dvpm Officer - 94				
Support Management				
EXO - 03		1	1	1
Controller - 04	2			
Legal - 85				
Commodity Mgt. - 92				
Contract Mgt. - 93				
Secretary - 05 & 07	4	3	3	3
Sector Management				
Agriculture - 10 & 14	11	11	11	11
Economics - 11	4	4	4	4
Democracy - 12				
Food for Peace - 15				
Private Enterprise - 21	17	13	13	13
Engineering - 25				
Environment - 40 & 75				
Health/Pop. - 50				
Education - 60				
General Dvpm. - 12*				
RUDO, UE-funded - 40				

Total	48	42	42	42
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***GDO - 12:** for the rare case where an officer manages activities in several technical areas, none of which predominate, e.g., the officer manages Democracy, Health, and Environment activities that are about equal. An officer who manages primarily Health activities with some Democracy and Environment activities would be a Health Officer, BS 50.

remaining **IDIs:** list under the Functional Backstop for the work they do.

Please e-mail this worksheet in Excel to: Maribeth.Zankowski@HR.PPIM@aidw as well as include it with your R4 submission.

DOC:country02r2b_dh.xls:prepared:4/4/00

Org G/EGAD														
End of year On-Board						Total	Org.	Fin.	Admin.	Con-		All	Total	Total
FY 2000 Estimate	SO 1	SO 2	SO 3	SO 4	SpO1	SO/SpO	Mgmt.	Mgmt	Mgmt	tract	Legal	Other	Mgmt.	Staff
OE Funded: 1/														
U.S. Direct Hire	13	14	11	5	0	43	3	0	0	0	0	2	5	48
Other U.S. Citizens	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other FSN/TCN	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	13	14	11	5	0	43	3	0	0	0	0	2	5	48
Program Funded 1/														
U.S. Citizens	7	16	1	0	1	25	0	0	0	0	0	0	0	25
FSNs/TCNs						0	0	0	0	0	0	0	0	0
Subtotal	7	16	1	0	1	25	0	0	0	0	0	0	0	25
Total Direct Workforce	20	30	12	5	1	68	3	0	0	0	0	2	5	73
TAACS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fellows	1	3	1	0	1	6	0	0	0	0	0	0	0	6
IDIs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	1	3	1	0	1	6	0	0	0	0	0	0	0	6
TOTAL WORKFORCE	21	33	13	5	2	74	3	0	0	0	0	2	5	79

Program Funded 1/ RSSAs Only.

Org G/EGAD															
End of year On-Board															
FY 2001 Target	SO 1	SO 2	SO 3	SO 4	SpO1		Total SO/SpO	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
OE Funded: 1/															
U.S. Direct Hire	6	14	11	5	0		36	3	0	1	0	0	2	6	42
Other U.S. Citizens	0	0	0	0	0		0	0	0	0	0	0		0	0
FSN/TCN Direct Hire	0	0	0	0	0		0	0	0	0	0	0	0	0	0
Other FSN/TCN	0	0	0	0	0		0	0	0	0	0	0	0	0	0
Subtotal	6	14	11	5	0		36	3	0	1	0	0	2	6	42
Program Funded 1/															
U.S. Citizens	7	13	3	0	1		24	0	0	0	0	0	0	0	24
FSNs/TCNs	0	0	0	0	0		0	0	0	0	0	0	0	0	0
Subtotal	7	13	3	0	1		24	0	0	0	0	0	0	0	24
Total Direct Workforce	13	27	14	5	1		60	3	0	1	0	0	2	6	66
TAACS	0	0	0	0	0		0	0	0	0	0	0	0	0	0
Fellows	1	5	1	0	2		9	0	0	0	0	0	0	0	9
IDIs	0	0	0	0	0		0	0	0	0	0	0	0	0	0
Subtotal	1	5	1	0	2		9	0	0	0	0	0	0	0	9
TOTAL WORKFORCE	14	32	15	5	3		69	3	0	1	0	0	2	6	75

Program Funded 1/ RSSAs only

<u>Org G/EGAD</u>					Total SO/SpO Staff	Org. Mgmt.	Fin. Mgmt	Admin. Mgmt	Con- tract	Legal	All Other	Total Mgmt.	Total Staff
End of year On-Board													
FY 2002 Target	SO 8	SO 9	SO10	SpO11									
OE Funded: 1/													
U.S. Direct Hire	16	14	6	0	36	3	0	1	0	0	2	6	42
Other U.S. Citizens	0	0	0	0	0	0	0	0	0	0	0	0	0
FSN/TCN Direct Hire	0	0	0	0	0	0	0	0	0	0	0	0	0
Other FSN/TCN	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	16	14	6	0	36	3	0	1	0	0	2	6	42
Program Funded 1/													
U.S. Citizens	2	13	7	1	23	0	0	0	0	0	0	0	23
FSNs/TCNs	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal	2	13	7	1	23	0	0	0	0	0	0	0	23
Total Direct Workforce	18	27	13	1	59	3	0	1	0	0	2	6	65
TAACS	0	0	0	0	0	0	0	0	0	0	0	0	0
Fellows	1	5	1	2	9	0	0	0	0	0	0	0	9
IDIs					0							0	0
Subtotal	1	5	1	2	9	0	0	0	0	0	0	0	9
TOTAL WORKFORCE	19	32	14	3	68	3	0	1	0	0	2	6	74

Program Funded 1/ RSSAs only

4/6/00

FY 2001 Budget by Program/Country at Management Control Level

Fiscal Year: 2001 Program/Country:

Approp: Various

Scenario:

S.O. # , Title															
FY 2001 Request															
	Bilateral/ Field Spt	Total	Agri- culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Health Promotion (**)	Environ	D/G	Est. S.O. Expendi- tures	Est. S.O. Pipeline End of FY2001
SO 1: Improved Access to Financial and Business Development Services, Particularly to the Microenterprises of the Poor															
	Bilateral	0		0				0							
	Field Spt														
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 2: Improved Food Availability, Economic Growth, and Conservation of Natural Resources through Agricultural Development															
	Bilateral	53,775	33,475									20,300		39,964	16,139
	Field Spt														
		53,775	33,475	0	0	0	0	0	0	0	0	20,300	0	39,964	16,139
SO 3: Appropriate and Functioning Economic Policies, Market Reforms and Institutions are Developed to Accelerate Economic Growth in Emerging Markets and Priority Countries															
	Bilateral	10,214		10,214										3,593	6,621
	Field Spt														
		10,214	0	10,214	0	0	0	0	0	0	0	0	0	3,593	6,621
SO 6: Private Sector Business Linkages Support U.S. Technology Transfer in Support of Development Objectives															
	Bilateral	5,000		5,000										2,080	2,920
	Field Spt	0													
		5,000	0	5,000	0	0	0	0	0	0	0	0	0	2,080	2,920
SpO 7: Increased Science and Technology Cooperation Among Middle Eastern & Developing Countries & Utilization of US & Israeli Technical Expertise by Developing Countries															
	Bilateral	3,500	2,000	900								600		2,044	1,456
	Field Spt	0													
		3,500	2,000	900	0	0	0	0	0	0	0	600	0	2,044	1,456
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		72,489	35,475	16,114	0	0	0	0	0	0	0	20,900	0	47,681	27,136
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		72,489	35,475	16,114	0	0	0	0	0	0	0	20,900	0	47,681	27,136

FY 2001 Request Agency Goal Totals	
Econ Growth	51,589
Democracy	0
HCD	0
PHN	0
Environment	20,900
Program ICASS	0
GCC (from all Goals)	5,585

FY 2001 Account Distribution (DA only)	
Dev. Assist Program	72,489
Dev. Assist ICASS	
Dev. Assist Total:	72,489
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

FY 2002 Budget by Program/Country at Management Control Level

Fiscal Year: 2002 Program/Country:
 Approp: Various
 Scenario:

S.O. # , Title															
FY 2002 Request															Est. S.O. Pipeline End of FY2002
	Bilateral/Field Spt	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Health Promotion (**)	Environ	D/G	Est. S.O. Expenditures	
SO 8: Openess and Competitiveness of Market Economics Promoted															
	Bilateral	13,600		13,600				0						8,055	5,137
	Field Spt													0	0
		13,600	0	13,600	0	0	0	0	0	0	0	0	0	8,055	5,137
SO 9: Productivity, Efficiency, and Sustainability of Agricultural and Food Systems Increased															
	Bilateral	53,750	34,400									19,350		43,044	13,292
	Field Spt														
		53,750	34,400	0	0	0	0	0	0	0	0	19,350	0	43,044	13,292
SO 10: Poverty Reducing Policies and Services Enhanced															
	Bilateral	4,639		4,639										3,903	2,771
	Field Spt	0													
		4,639	0	4,639	0	0	0	0	0	0	0	0	0	3,903	2,771
SpO 11: Increased Technical Cooperation Among Middle Eastern, Developing Countries and the US															
	Bilateral	2,500	1,000	1,100								400		1,456	1,044
	Field Spt	0													
		2,500	1,000	1,100	0	0	0	0	0	0	0	400	0	1,456	1,044
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		74,489	35,400	19,339	0	0	0	0	0	0	0	19,750	0	56,458	22,244
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		74,489	35,400	19,339	0	0	0	0	0	0	0	19,750	0	56,458	22,244

FY 2002 Request Agency Goal Totals	
Econ Growth	54,739
Democracy	0
HCD	0
PHN	0
Environment	19,750
Program ICASS	0
GCC (from all Goals)	5,585

FY 2002 Account Distribution (DA only)	
Dev. Assist Program	74,489
Dev. Assist ICASS	
Dev. Assist Total:	74,489
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

FY 2002 Budget by Program/Country at EGAD Request Level

Fiscal Year: 2002 Program/Country:
 Approp: Various
 Scenario:

S.O. # , Title															
FY 2002 Request															Est. S.O. Pipeline End of FY2002
	Bilateral/Field Spt	Total	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Health Promotion (**)	Environ	D/G	Est. S.O. Expenditures	
SO 8: Openess and Competitiveness of Market Economics Promoted															
	Bilateral	13,800		13,800				0						8,055	5,137
	Field Spt													0	0
		13,800	0	13,800	0	0	0	0	0	0	0	0	0	8,055	5,137
SO 9: Productivity, Efficiency, and Sustainability of Agricultural and Food Systems Increased															
	Bilateral	59,500	38,750									20,750		43,044	13,292
	Field Spt														
		59,500	38,750	0	0	0	0	0	0	0	0	20,750	0	43,044	13,292
SO 10: Poverty Reducing Policies and Services Enhanced															
	Bilateral	6,850		6,850										3,903	2,771
	Field Spt	0													
		6,850	0	6,850	0	0	0	0	0	0	0	0	0	3,903	2,771
SpO 11: Increased Technical Cooperation Among Middle Eastern, Developing Countries and the US															
	Bilateral	2,500	1,000	1,100								400		1,456	1,044
	Field Spt	0													
		2,500	1,000	1,100	0	0	0	0	0	0	0	400	0	1,456	1,044
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Bilateral	0													
	Field Spt	0													
		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral		82,650	39,750	21,750	0	0	0	0	0	0	0	21,150	0	56,458	22,244
Total Field Support		0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM		82,650	39,750	21,750	0	0	0	0	0	0	0	21,150	0	56,458	22,244

FY 2002 Request Agency Goal Totals	
Econ Growth	61,500
Democracy	0
HCD	0
PHN	0
Environment	21,150
Program ICASS	0
GCC (from all Goals)	5,585

FY 2002 Account Distribution (DA only)	
Dev. Assist Program	82,650
Dev. Assist ICASS	
Dev. Assist Total:	82,650
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each Fiscal Year (FY2000, FY2001, FY2002)

Prepare one set of tables for each appropriation Account

Tables for DA and CSD may be combined on one table.

For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account. (**) Health Promotion is normally funded from the CSD Account, although amounts for Victims of War/Victims of Torture are funded from the DA/DFA Account

OC

Resource Category Title

11.8	Special personal services payments IPA/Details-In/PASAs/RSSAs Salaries
	Subtotal OC 11.8
12.1	Personnel Benefits IPA/Details-In/PASAs/RSSAs Salaries
	Subtotal OC 12.1
21.0	Travel and transportation of persons Training Travel Operational Travel Site Visits - Headquarters Personnel Site Visits - Mission Personnel Conferences/Seminars/Meetings/Retreats Assessment Travel Impact Evaluation Travel Disaster Travel (to respond to specific disasters) Recruitment Travel Other Operational Travel
	Subtotal OC 21.0
23.3	Communications, Utilities, and Miscellaneous Charges Commercial Time Sharing
	Subtotal OC 23.3
24.0	Printing & Reproduction Subscriptions & Publications
	Subtotal OC 24.0
25.1	Advisory and assistance services Studies, Analyses, & Evaluations Management & Professional Support Services Engineering & Technical Services
	Subtotal OC 25.1
25.2	Other services Non-Federal Audits Grievances/Investigations Manpower Contracts Other Miscellaneous Services Staff training contracts
	Subtotal OC 25.2
25.3	Purchase of goods and services from Government accounts DCAA Audits HHS Audits All Other Federal Audits Reimbursements to Other USAID Accounts All Other Services from other Gov't. Agencies
	Subtotal OC 25.3
25.7	Operation & Maintenance of Equipment & Storage
	Subtotal OC 25.7
25.8	Substance and support of persons (contract or Gov't.)
	Subtotal OC 25.8
26.0	Supplies and Materials
	Subtotal OC 26.0
31.0	Equipment ADP Software Purchases ADP Hardware Purchases
	Subtotal OC 31.0

FY 2000 Estimate	FY 2001 Target	FY 2002 Target
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209	250	265

TOTAL BUDGET

Global Bureau FY 2002 R4 Financial Profile
FY 1999 Actual Obligations
(\$000)

Global Bureau Center/Office: <u>Economic Growth and Agricultural Development</u>								
Funding Mechanisms	ANE	AFR	E&E	LAC	GLOBAL	BHR	PPC	Totals
Core					76,424,000			76,424,000
Field Support:								
Direct Obligations								
Managed Org.	850,000	4,418,856	3,060,000	1,671,000	260,000	2,191,000		12,450,856
OYB Transfers		27,000						27,000
MAARDS	427,919	3,691,432						4,119,351
Direct Obligations Total:	1,277,919	8,137,288	3,060,000	1,671,000	76,684,000	2,191,000	-	93,021,207
Non-Direct Obligations								
Buy-ins (MAARDS)	26,663,000	13,851,000	41,318,000	1,720,000				83,552,000
Associate Grants								-
Other								-
Non-Direct Obligations Total:	26,663,000	13,851,000	41,318,000	1,720,000				83,552,000
Bureau Totals:	27,940,919	21,988,288	44,378,000	3,391,000	153,108,000	2,191,000	-	176,573,207

Global Bureau FY 2002 R4 Financial Profile
FY 2000 Planned OYB
(\$000)

Global Bureau Center/Office: <u>Economic Growth and Agricultural Development</u>								
Funding Mechanisms	ANE	AFR	E&E	LAC	GLOBAL	BHR	PPC	Totals
Core					66,497,000			66,497,000
Field Support:								-
Direct Obligations								-
Managed Org.	1,090,000	4,273,000	1,300,000	100,000	50,000	1,600,000	100,000	8,513,000
OYB Transfers								-
MAARDS		1,050,000						1,050,000
Direct Obligations Total:	1,090,000	5,323,000	1,300,000	100,000	66,547,000	1,600,000	100,000	76,060,000
Non-Direct Obligations								
Buy-ins (MAARDS)	16,065,000	7,706,000	25,700,000	8,022,000				57,493,000
Associate Grants								-
Other								-
Non-Direct Obligations Total:	16,065,000	7,706,000	25,700,000	8,022,000	-	-	-	57,493,000
Bureau Totals:	17,155,000	13,029,000	27,000,000	8,122,000	66,547,000	1,600,000	100,000	133,553,000

FY 2000 Activities in support of Objective 933-001 - Improved Access to Financial and Business Development Services, Particularly to the

Microenterprises of the Poor

Sector

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2000 for each objective level provided in summary table.

**FY 2000 Activities in support of Objective 933-002 - Improved Food Availability, Economic Growth, & Conservation of Natural Resources
Through Agricultural Development**

Activities	Sector													
	Agriculture	Other Ec Growth	Children Basic Ed	Other HCD	POP	Child Survival	Infect Diseases	HIV/AIDS	Health Promotion	Environmt	Dem/Gov	Est Expen	Est Pipeline	Est Mortgage
CGIAR - Directive	15,150									9,850		22,913	2,087	50,000
CRSPs {incls. BASIS} - Directive	10,200									9,850		13,368	6,684	138,632
IFDC - Directive	2,000											667	1,333	8,500
CASP	-											-	-	-
PFID	1,000											415	585	19,000
ABSP	1,000											581	419	13,000
FSII	400											231	169	19,417
APAP	250											168	82	
RAISE	150											91	59	199,700
Program Support	1,500											875	625	3,600
BIFAD	150											91	59	300
Improved Animal Vaccine	-											-	-	-
Child Survival Initiative	-											-	-	-
Dairy Directive - Directive	3,500											1,164	2,336	2,000
Utah State - Directive	1,000											332	668	-

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2000 for each objective level provided in summary table.

- Appropriate and Functioning Policies, Market Reforms, and Institutions are Developed to Accelerate Economic Growth in Emerging Markets and Priority Countries

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2000 for each objective level provided in summary table.

Development Objectives

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2000 for each objective level provided in summary table.

Increased Science & Technology Cooperation Among Middle Eastern & Developing countries & Utilization of U.S. and Israeli Technical Expertise by Developing Countries

Sector

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2000 for each objective level provided in summary table.

MANAGEMENT CONTROL LEVEL

FY 2001 Activities in support of Objective 933-001 - Improved Access to Financial and Business Development Services, Particularly to the

Microenterprises of the Poor

Sector

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2001 for each objective level provided in summary table.

MANAGEMENT CONTROL LEVEL

FY 2001 Activities in support of Objective 933-002 - Improved Food Availability, Economic Growth, & Conservation of Natural Resources
Through Agricultural Development

Activities	Sector											Est Expen	Est Pipeline	Est Mortgage
	Agriculture	Other Ec Growth	Children Basic Ed	Other HCD	POP	Child Survival	Infect Diseases	HIV/AIDS	Health Promotion	Environmt	Dem/Gov			
CGIAR - Directive	14,850									10,150		22,913	2,087	25,000
CRSPs {incl. BASIS} - Directive	9,900									10,150		11,697	8,353	118,582
IFDC - Directive	2,000											1,002	998	6,500
CASP	-											-	-	-
PFID	1,675											997	678	18,000
ABSP	1,000											250	750	12,000
FSII	400											132	268	19,017
APAP	250											105	145	
RAISE	150											65	85	199,550
Program Support	2,100											1,225	875	11,500
BIFAD	150											78	72	150
Improved Animal Vaccine	-											-	-	-
Child Survival Initiative	-											-	-	-
Dairy Directive - Directive	1,000											1,500	1,828	1,000
Utah State - Directive	-											-	-	-

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2001 for each objective level provided in summary table.

MANAGEMENT CONTROL LEVEL

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2001 for each objective level provided in summary table.

MANAGEMENT CONTROL LEVEL

FY 2001 Activities in support of Objective 933-006 - Private Sector Business Linkages Support U.S. Technology Transfer in Support of

Development Objectives

Sector

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2001 for each objective level provided in summary table.

MANAGEMENT CONTROL LEVEL

FY 2001 Activities in support of Objective 933-007 - Increased Science & Technology Cooperation Among Middle Eastern & Developing countries &

Utilization of U.S. and Israeli Technical Expertise by Developing Countries

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2001 for each objective level provided in summary table.

MANAGEMENT CONTROL LEVEL

FY 2002 Activities in support of Objective:

933-008 - Openness and Competitiveness of Market Economies Promoted

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2002 for each objective level provided in summary table.

MANAGEMENT CONTROL LEVEL

FY 2002 Activities in support of Objective:

933-009 - Productivity, Efficiency, and Sustainability of Agricultural and Food Systems Increased

Activities	Sector											Est Expen	Est Pipeline	Est Mortgage
	Agriculture	Other Ec Growth	Children Basic Ed	Other HCD	POP	Child Survival	Infect Diseases	HIV/AIDS	Health Promotion	Environmt	Dem/Gov			
CGIAR - Directive	14,625									10,375		22,913	2,087	25,000
CRSPs {incl. BASIS} - Directive	9,675									10,375		13,368	6,682	98,532
IFDC - Directive	2,000											667	1,333	4,500
CASP	-											-	-	
PFID	1,500											875	625	17,000
ABSP	2,000											1,167	833	11,000
FSII	400											132	268	18,617
APAP	250											105	145	
RAISE	150											65	85	199,400
Program Support	1,500											875	625	8,500
BIFAD	150											50	100	
Improved Animal Vaccine	-											-	-	
Child Survival Initiative	-											-	-	
Dairy Directive - Directive	1,000											1,500	672	
Utah State - Directive	-											-	-	

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2002 for each objective level provided in summary table.

MANAGEMENT CONTROL LEVEL

FY 2002 Activities in support of Objective:

933-010 - Poverty Reduction Policies and Services Enhanced

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2002 for each objective level provided in summary table.

MANAGEMENT CONTROL LEVEL

FY 2002 Activities in support of Objective:

933-011 - Increased Technical Cooperation Among Middle Eastern, Developing Countries and the U.S.

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2002 for each objective level provided in summary table.

EGAD REQUEST LEVEL

FY 2002 Activities in support of Objective:

933-008 - Openness and Competitiveness of Market Economies Promoted

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2002 for each objective level provided in summary table.

EGAD REQUEST LEVEL

FY 2002 Activities in support of Objective:

933-009 - Productivity, Efficiency, and Sustainability of Agricultural and Food Systems Increased

Activities	Sector											Est Expen	Est Pipeline	Est Mortgage
	Agriculture	Other Ec Growth	Children Basic Ed	Other HCD	POP	Child Survival	Infect Diseases	HIV/AIDS	Health Promotion	Environmt	Dem/Gov			
CGIAR - Directive	14,625									10,375		22,913	2,087	25,000
CRSPs {incls. BASIS} - Directive	11,675									10,375		13,368	6,682	98,532
Input Supply Program														
-IFDC - Directive	3,000											1,750	1,250	4,500
CASP	-											-	-	
PFID	1,500											875	625	17,000
ABSP	2,000											1,167	833	11,000
FSII	400											132	268	18,617
RAISE	300											175	125	199,400
Program Support	1,500											875	625	8,500
BIFAD	250											125	125	
Improved Animal Vaccine	-											-	-	
Child Survival Initiative	-											-	-	
Dairy Directive - Directive	1,500											1,664	672	
Utah State - Directive	-											-	-	

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2002 for each objective level provided in summary table.

EGAD REQUEST LEVEL

FY 2002 Activities in support of Objective:

933-010 - Poverty Reduction Policies and Services Enhanced

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2002 for each objective level provided in summary table.

EGAD REQUEST LEVEL

FY 2002 Activities in support of Objective:

933-011 - Increased Technical Cooperation Among Middle Eastern, Developing Countries and the U.S.

[illegible]

1. Activities must be listed in priority order.
2. Indicate any directive funds.
3. Table must be completed for FY 2002 for each objective level provided in summary table.

Supplemental Information Annexes

Environmental Impact

I. PLAN FOR NEW OR AMENDED INITIAL ENVIRONMENTAL EXAMINATIONS

G/EGAD is proposing three new activities for FY 2000. These activities will require a Categorical Exclusion to the Procedures for an Initial Environmental Examination (IEE):

- Microenterprise Innovation Project (MIP)(restructured)
- Micro and Small Enterprise Development (MSED)(restructured)
- Dairy Initiative

II. COMPLIANCE OF CURRENT STRATEGIC OBJECTIVES

The Categorical Exclusion to the Procedures for Initial Environmental Examination (IEE) for G/EGAD Center's SOs and SpO was approved on May 14, 1998 by DAA/G/EGAD and Global Bureau's Environmental Officer. The IEEs are effective through G/EGAD's current approved strategic planning period date of FY 2003 for the following SOs and SpO:

- SO1: Improved Access to Financial and Business Development Services, Particularly to the Microenterprises of the Poor (formerly SSO#1)
- SO2: Improved Food Availability, Economic Growth, and Conservation of Natural Resources through Agricultural Development (formerly SSO#2)
- SO3: Appropriate and Functioning Economic Policies, Market reforms and Institutions are Developed to Accelerate Economic Growth in Emerging Markets and Priority Countries (formerly SSO#3)
- SO4: Private Sector Business Linkages Support U.S. Technology Transfer in Support of Development Objectives (formerly SpO#3)
- SpO1: Increased Science and technology Cooperation Among Middle Eastern and Developing Countries and Utilization of US and Israeli Technical Expertise by Developing Countries (formerly SpO#4)

Copies of the SO and SpO Categorical Exclusion to the Procedures for an Initial Environmental Examination are on file in G/EGAD.

Updated Framework Annex

The Current Strategic Framework for FY 1996-2003 is as follows:

SO 3: Appropriate and Functioning Economic Policies, Market Reforms, and Institutions are Developed to Accelerate Economic Growth In Emerging Markets

- IR1: Research is carried out leading to the development of new methodologies that are applied to analyze or reform specific policies.
- IR2: Direct hire and contracted assistance from EGAD is used by Missions and leads to more effective and efficient delivery of technical assistance.
- IR3: Country level interventions by direct hire staff or EGAD program funded contractors/grantees results in policy or institutional reform

SO 4: Private Sector Business Linkages Support U.S. Technology Transfer In Support of Development Objectives

- IR1: Business transactions occur with GTN support in the areas of environment, energy, health, agribusiness and information technology.

SO 2: Improved Food Availability, Economic Growth, and Conservation of Natural Resources through Agricultural Development

- IR1: Sustainable technologies and policies that enhance food availability developed and adopted
- IR2: Policies and technologies that improve food access and agribusiness opportunities developed and adopted.
- IR3: Technologies, policies and practices that enhance the long-term conservation of natural resources developed and adopted.
- IR4: An information system established to enhance decision making for the agricultural sector.

SpO 1: Increased Science and Technology Cooperation Among Middle Eastern & Developing Countries and Utilization of US and Israeli Technical Expertise by Developing Countries

- IR1: Collaboration between Israeli and other Middle Eastern or developing country scientists established.
- IR2: Israeli agricultural technical expertise transferred to Middle Eastern or other developing countries

SO 1: Improved Access to Financial and Business Development Services, Particularly to the Microenterprises of the Poor

- IR1: Expanded delivery of financial and non-financial services to microentrepreneurs
- IR2: Increased capability of financial and non-financial Institutions to service microentrepreneurs
- IR3: Expanded dissemination of best practices in USAID supported programs and in the microenterprise development field
- IR4: Indigenous financial institutions increase lending to micro and small businesses

- IR5: Create linkages between formal financial institutions and micro and small businesses to facilitate sustained access to credit for those sectors

The proposed follow-on strategic framework contains the following strategic objectives and intermediate results. This framework is for discussion and review during the R-4 review session and, once approved, will be the basis for developing our new Strategic Plan.

SO 8: Openness and Competitiveness of Market Economies Promoted

- IR 8.1: Enhanced Capacity to Understand, Participate, and Comply in Global Trading System
IR 8.2: Financial Products and Services Meet Broad Range of Needs for an Expanded Client Base
IR 8.3: Improved Public Management Creates More Stable and Supportive Business Environment
IR 8.4: Private Sector Better Able to Compete in Global Marketplace
IR 8.5: Business Linkages in Target Sectors Enhanced.

SO 9: Productivity, Efficiency, and Sustainability of Agriculture and Food Systems Increased.

- IR 9.1: Yield and Nutrition Enhancing Crop and Livestock Technology Developed and Transferred
IR 9.2: Participation Broadened, Transaction Costs Lowered, and Value Added In Agricultural Markets.
IR. 9.3 The Natural Resource Base for Agriculture Conserved and Restored

SO 10: Poverty Reduction Policies and Services Enhanced

- IR 10.1: Expanded Delivery of Sustainable Financial and Business Services for the Microenterprises of the Poor
IR 10.2: Successful Policies and Programs for Poverty Reduction Identified and Disseminated

SpO 11: Increased Technical Cooperation among Middle Eastern, Developing Countries and the US

- IR 11.1: Collaboration between Israeli and Other Middle Eastern or Developing Country Scientists Strengthened.
IR 11.2: Israeli Technical Expertise Transferred to Middle Eastern or Other Developing Countries

The current framework and the proposed new framework are presented schematically on the following pages.

Attachment: Current Strategic Framework FY1996-2003

Agency Goal

Broad-based Economic Growth and Agricultural Development Encouraged

Agency Strategic

Objectives

Critical private markets expanded and strengthened

More rapid and enhanced agricultural development and food security encouraged

Access to economic opportunity for the rural and urban poor expanded and made more equitable

EGAD Center Strategic and

Special Objectives

SO3: Appropriate and Functioning Economic Policies, Market Reforms, and Institutions are Developed to Accelerate Economic Growth In Emerging Markets (933-003)

SO4: Private Sector Business Linkages Support U.S. Technology Transfer In Support of Development Objectives (933-006)

SO2: Improved Food Availability, Economic Growth, and Conservation of Natural Resources through Agricultural Development (933-002)

SpO1: Increased Science and Technology Cooperation Among Middle Eastern & Developing Countries and Utilization of US and Israeli Technical Expertise by Developing Countries (933-007)

SO1: Improved Access to Financial and Business Development Services, Particularly to the Microenterprises of the Poor (933-001)

Intermediate

Results

IR1: Research is carried out leading to the development of new methodologies that are applied to analyze or reform specific policies.

IR2: Direct hire and contracted assistance from EGAD is used by Missions and leads to more effective and efficient delivery of technical assistance.

IR3: Country level interventions by direct hire staff or EGAD program funded contractors/grantees results in policy or institutional reform.

IR1: Business transactions occur with GTN support in the areas of environment, energy, health, agribusiness and information technology.

IR1: Sustainable technologies and policies that enhance food availability developed and adopted.

IR2: Policies and technologies that improve food access and agribusiness opportunities developed and adopted.

IR3: Technologies, policies, and practices that enhance the long-term conservation of natural resources developed and adopted.

IR4: An information system established to enhance decision making for the agricultural sector.

IR1: Collaboration between Israeli and other Middle Eastern or developing country scientists established.

IR2: Israeli agricultural technical expertise transferred to Middle Eastern or other developing countries.

IR1: Expanded delivery of financial and non-financial services to microentrepreneurs.

IR2: Increased capability of financial and non-financial institutions to service microentrepreneurs.

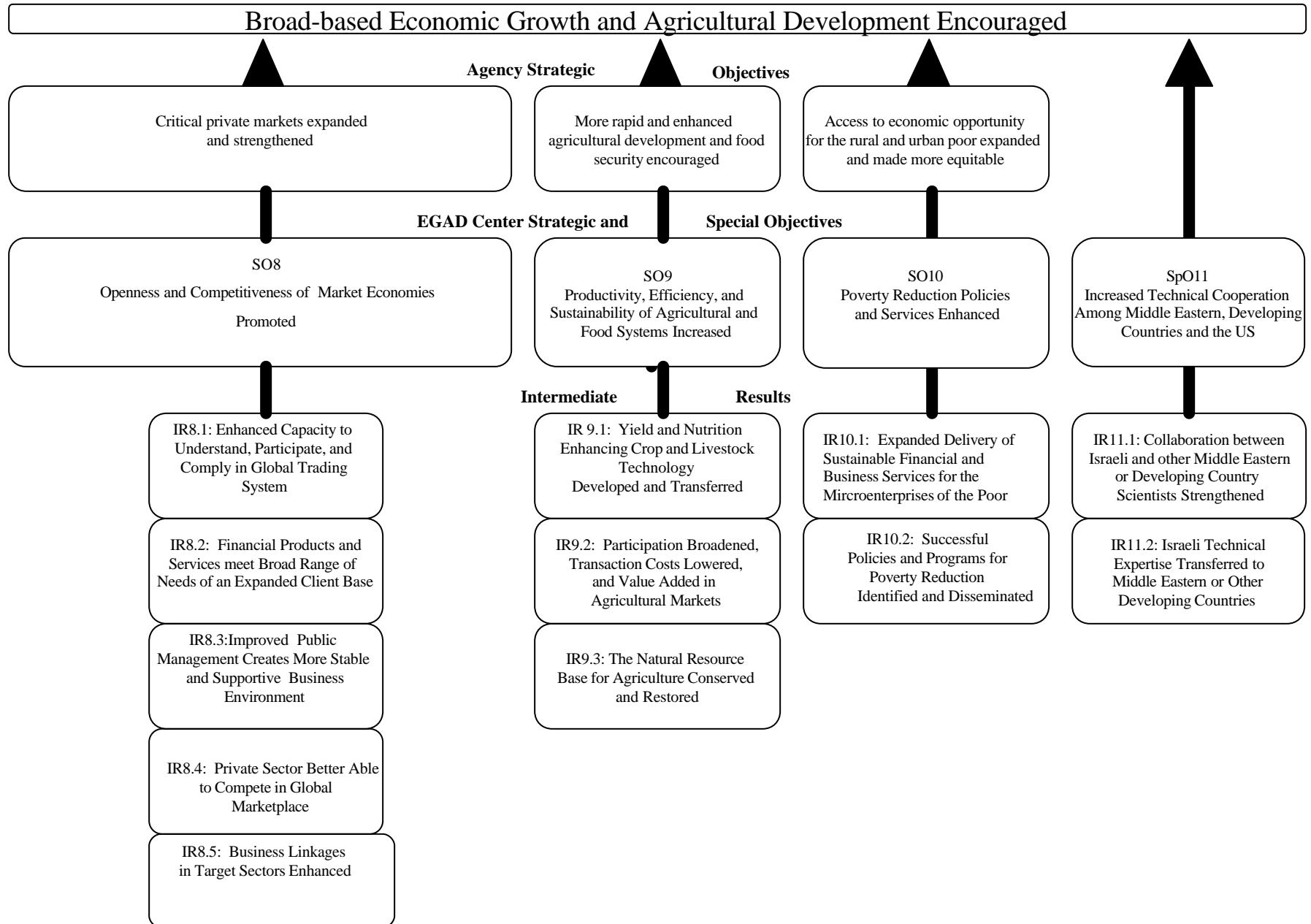
IR3: Expanded dissemination of best practices in USAID supported programs and in the microenterprise development field.

IR4: Indigenous financial institutions increase lending to micro and small businesses.

IR5: Create linkages between formal financial institutions and micro and small businesses to facilitate sustained access to credit for those sectors.

Attachment: Proposed Strategic Framework FY2002-2010

Agency Goal



Success Stories

MICROBUSINESS SUCCESS STORIES

Microfinance Fosters Business Growth and Land Ownership

Crispina Canales started out in business with a small food stall in a rural community, located in southern Mindanao, a large island of the Philippines. The little restaurant served ten people at a time and featured five dishes, including her specialty, roasted pig.

Crispina learned that a local credit union, Nabunturan Integrated Cooperative (NICO) was offering loans to local businesses. She deposited \$7.50 in share capital and attended the required pre-membership seminar. Almost immediately she was eligible for a loan of \$37.50. With the loan, she purchased better equipment and hogs. Instead of depending on a farmer to supply her stock, she could raise her own. She quickly repaid the loan and was granted a second loan of \$125.

Three years later the eatery sales had increased by 50 percent. Crispina had saved so much that she was able to purchase over two acres of rice farmland for \$175. In 1999, Crispina took out a loan to expand the eatery, doubling its size. She now offers 30 different dishes daily and can feed 50 people at a time.

Today, Crispina uses all the services of her credit union. She has a regular passbook savings account, share capital and available credit. She also uses personal and microfinance loans. After seven years in the credit union, her most recent loan was for \$2,375.

In 1998, NICO had 10,600 members. NICO is currently a part of an USAID-supported program called CUES (Credit Union Empowerment and Strengthening) Philippines, run by the World Council of Churches Credit Union (WOCCU) and Freedom From Hunger.

USAID Project Leads to Policy Change

The Business Women's Association (BWA) of Uzbekistan, *Tabirkkor Ayol*, was founded June 21, 1991 in the midst of the collapse of the Soviet Union. On July 15, 1997 USAID awarded an Implementation Grant Program (IGP) grant to Counterpart International to provide support to the BWA so that it could achieve full financial self-sufficiency while providing sustainable client services to women entrepreneurs throughout Uzbekistan.

With USAID support, BWA has positioned itself as a strong advocate of both women and small business in Uzbekistan. The Leadership, Enterprise and Association Development (LEAD) project has provided a forum for members to stand together as a force to be reckoned with. Through regular business club meetings, BWA has brought in bankers, custom officials, tax officials, judges, and so on, to provide to the business women nuts-and-bolts information needed to run their businesses. At one point LEAD used USAID funds to support a major workshop with over 200 participants. The Deputy Prime Minister and representatives from all of the ministries attended. The workshop was shown on television throughout the Republic. Following the workshop, the government conducted a special gathering to discuss every element brought

forward by workshop working groups. As a direct result of the workshop, professional business taxes affecting women were reduced. For example, hairdressers' expenses were reduced by 50% and the government agreed to give women a 30% reduction on building rentals.

AN AGRICULTURAL SUCCESS STORY:

Benefits of Climbing Beans in Africa far Exceeds Donor Investment

In the mid 1990's, bean production in the Kakamega region of western Kenya was falling drastically as bean plants turned yellow and the crop failed year after year. "I had to stop growing beans," reported Kenya farmer Eunice Changirwa. She complained that beans became a rare treat in her family's diet, since it was too expensive to buy beans brought in from other parts of Kenya. Kenyan breeder Rueban Otsyla of the Kenya Agricultural Research Institute (KARI) identified the problem as root rots that were attacking the plants. He obtained a grant through the International Center for Tropical Agriculture's (CIAT) regional network financed by USAID and other donors to work on this problem. Otsyla visited Rwanda where there are high-yielding root rot resistant climbing beans that had been introduced from South America by CIAT in the late 1980s. He brought seed of these materials back to western Kenya and, in collaboration with local NGOs, the new seed was distributed to Kenyan farmers.

In addition, CIAT and Kenyan scientists have developed improved planting methods for the climbing beans, and promoted the use of organic material. Patrick Nekesa of the NGO Association for Better Land Husbandry says, "high yielding climbing beans were the right technology at the right place and at the right time." By 1997, more than a thousand farmers around Kakamega had adopted the new climbing beans, and by 1999 this figure had more than tripled. Based on the rapid spread of the new beans, it is estimated that they will become as widely grown in Kenya as they are in Rwanda. By 2003 as many as 40,000 farmers are projected to be growing the CIAT introduced climbing beans. At that point, the annual value of improved climbing beans in Kenya is expected to exceed US \$5M annually. By 1999 the original investment in Otsyla's work had already been paid back by increased bean production more than 20 times the value of the original grant from CIAT financed by USAID.

A GLOBAL TECHNOLOGY NETWORK SUCCESS STORY

A Fish Products Company in Baja California, Mexico

The introduction of a Global Technology Network (GTN) in-country representative in the Baja California region of Mexico in January 1999 has led to a number of economic development related activities, especially in the areas of environment and food production. Historically, the Baja California region was comprised of small fishing villages with limited access to technology. With GTN's assistance, though, numerous technology transfers have occurred helping the Baja California region to increase its competitiveness in the global market and to abide by new environmental and agricultural regulations.

The Mexican company, an established fish processing and packing facility with 125 employees, contacted the GTN representative in Baja hoping to buy a desalinization plant with a capacity of 2000 cubic meters per day. The new technology would purify seawater enabling the company's operations to improve the quality of their products (processed, packed and frozen fish products, with frozen and canned shrimp and calamari as their biggest sellers), and meet international standards. The company was keenly interested in competitive prices and warranties on the equipment.

The GTN representative approached the fish processing company and introduced the program to them. A GTN business request questionnaire was completed and electronically sent to GTN headquarters for review via the Internet. GTN headquarters corresponded with the in-country representative to clarify the specific needs of the company in order to create appropriate matches with US companies. This trade lead was then disseminated to US manufacturers of desalinization plants.

Shortly after dissemination of the trade lead, US companies began submitting letters of interest for this opportunity. Follow-up meetings with the Mexican company were scheduled by the in-country representative to review the letters of interest that had been received. The in-country representative also assisted Mexican company with translations and answered questions on topics such as the handling of tariffs and taxes. The information that resulted from these meetings was posted on the GTN website that informed all GTN partners on the status of the trade lead.

Two weeks after the dissemination of the trade lead, the Mexican company short listed three US companies, analyzed each of their offers, and accepted the offer proposed by a California company valued at approximately US\$500,000. This opportunity demonstrates the efficiency and effectiveness of creating development linkages via the private sector.

EGAD FY 99 R4 Global Climate Change Activities Annex

NARRATIVE

EGAD's Office of Agriculture and Food Security (AFS) implements an array of activities that contribute towards meeting USAID's Climate Change Initiative (CCI) results. By our estimates, \$5.585 million in FY 99 EGAD allocations were attributed, through secondary coding, to climate change outcomes. This amount is almost 12 percent of EGAD allocations for agricultural research and outreach and related agricultural development activities. Our partners and our staff recognize that a great deal of work remains to be done to develop a more comprehensive and quantitative assessment of the climate change impacts associated with agricultural research annually. More work on assessment will be done in this area in the upcoming year. The following comments are linked to the G/ENV Reporting Framework for Climate Change.

I. Increased Participation in the UN Framework Convention on Climate Change (UNFCCC)

A. Policy Advances Supporting the UNFCCC

B. Increased Capacity to Meet Requirements of the UNFCCC

G/EGAD/AFS supports global programs that have numerous research and outreach linkages to farmer associations, municipalities, national governments, nongovernmental organizations (NGOs), universities and other public and private institutions. Working with G/ENV, EGAD and its U.S. and international partners at the international agricultural research centers of the Consultative Group on International Agricultural Research (CGIAR), independent agricultural research centers such as the International Fertilizer Development Center (IFDC), and Collaborative Research Support Programs (CRSPs) have helped to raise awareness and interest of climate change in the international agricultural and natural resources research and development agendas. The CGIAR has begun a phase of consultation and policy formulation on making climate change a crosscutting theme. We are monitoring more closely the agronomic and natural resource activities under the CRSPs in order to evaluate their impacts that strengthen or build technical capacity in developing countries to preserve or increase carbon stocks and sinks and to reduce greenhouse gas emissions.

II. Reduced Greenhouse Gas Emissions from the Land Use, Forestry Activities, and Natural Resource Management

A. Land Use/Forest Management Activities

Agriculture profits from environmental improvements. Activities such as agroforestry, conservation tillage, crop residue management, land restoration, land conversion and water management, have increased both soil carbon content and agronomic productivity of cropping and pasture systems.

Agricultural practices such as crop rotation with legumes, soil and water conservation, soil fertility management plans, enhance the potential of cropland and range land to sequester carbon and mitigate the greenhouse effect. According to a recent estimate by Lal *et al.*¹, agricultural conservation practices have a potential to sequester more carbon in the soil than farming emits through land use and fossil fuel combustion. They estimate that increasing carbon content of degraded soils worldwide at the rate of 0.01 per cent per year by using improved practices, such as conservation tillage and other soil and water conservation practices, could lead to carbon sequestration at the rate of 3000 million metric tons of carbon annually. This rate of carbon sequestration is equal to the net annual increase in atmospheric CO₂.

Technologies and conservation practices that increase agricultural productivity save forests and marginal lands. At the aggregate level, based on annual progress reports of the individual IARCs and CRSPs, the indirect benefits of agricultural and natural resources research in the climate change area have been enormous. A CGIAR report² sponsored by G/ENV and G/EGAD, suggested that land savings related to crop productivity gains in the developing world run between 200 and 400 million hectares. These land savings are often (40% of the area) in wooded or forestlands, making them even more valuable as carbon sinks and biodiversity reserves; a valuation of the biodiversity in these areas, has been pegged at over \$200 million. If land savings resulting from forage and livestock productivity gains are also taken into account, another 50 million hectares of land has been conserved. The climate change implications of the resulting conservation of lands in their natural state are huge. The greenhouse gas equivalent of the conserved biomass is estimated at 17 billion tons, with a value approaching \$100 billion.

While aggregate, indirect benefits are important, EGAD has also worked with its partners to gain a clearer understanding of climate change factors at the field level. EGAD's partners work extensively in tropical savanna regions, supporting the development and dissemination of improved technologies (i.e. acid-tolerant forage plants) and practices (i.e. land management packages). One hectare of pasture grasses converts as much as 52 tons/year of CO₂ into organic matter. In tropical Latin America, scientists estimated that these grasslands remove about 2 billion tons of CO₂ per year from the atmosphere. In Brazil, CIAT has helped develop soil and water conservation and soil fertility technologies now used on 35 million hectares, increasing sequestration of carbon by 2 billion tons annually. In addition to reducing pressure on forest regions, soil fertility- improving practices, soil and water conservation practices for cultivated steep land and a soil nutrient management system, developed by the Soil Management CRSP, will increase carbon sequestration in agricultural lands.

Soil carbon accumulation is also associated with the development and introduction of reduced tillage activities. Farmers in the Indo-Gangetic plain are rapidly expanding use of new seed drills which allow them to plant wheat directly after paddy rice. Although there are many agronomic and production benefits to the new system, CIMMYT researchers and local scientists are also tracking its impact on soil organic matter, suggesting that gains of up to 25% are possible with crop residue management. Fertilizer efficiency is also increased thereby reducing nitrous oxide emissions. Even fuel use drops by about 30 % over conventional tillage. U.S. and Bangladeshi scientists under the Soil Management CRSP in the past year found that straw mulch in paddy rice prevents paddy water from turning acidic thereby reducing the loss of ammonia fertilizer.

Research at ICARDA has shown that legume-based rotations, as a substitute for continuous cereal cropping, contribute to carbon sequestration as they increase soil organic carbon levels from about 1 per cent to 1.3 per cent.

ICRAF is working with scientists, extension agents and farmers on an effort to introduce *Calliandra*, a leguminous tree, in Kenya to reduce overgrazing and increase soil fertility. These types of interventions are designed to increase productivity; however, it leads to increased levels of soil organic matter. Perhaps most encouraging is ICRAF's finding that in some areas of East Africa there are an increasing number of trees despite population increases.

Both CIFOR and ICRAF are active in efforts to reduce environmental impacts associated with logging. These efforts have both a technical and policy dimension. In Sabah, Malaysia, official policies have been adopted on low-impact logging as a means to conserve forest ecosystem vitality, including biomass. CIFOR is also developing tools and indicators for longer term monitoring of forest health. More than 30 partners are working with CIFOR to develop criteria and indicator tools. ICRAF's "Alternative to Slash and Burn" initiative is working with national programs and NGOs in Asia, Africa, and Latin America to develop technologies and policies aimed at reducing forest clearing. In Indonesia, great progress has been made on Sumatra by integrating technical packages with improved land tenure policies, preserving the rights of small holders and slowing the trend towards large-scale plantation clearing.

Other efforts focus on increasing the value of forests, making their maintenance and use more attractive economically. Non-timber forest products (bamboo, rattan, and foods of various kinds) provide important means for people to remain in the forest, earning a livelihood and preserving important biodiversity and carbon sinks. These approaches are an integral part of CIFOR's and ICRAF's community-based forest management programs.

B. Policy Advances

Some of the national forestry and land tenure policies that have an impact on land use and, therefore, climate change, have already been noted. In the Philippines, the SANREM CRSP used a participatory research approach and a training network to enable communities to change policy, practice, technology and enhanced institutional capacity in order to establish and maintain sustainable landscapes in watersheds. This approach improves water quality, stabilizes hillsides, promotes tree planting, and increases the number and biomass of standing forests. In West Africa, SANREM catalyzed the formation of a local, inter-village Natural Resources Management Advisory Council designed to address issues of environmental degradation, declining agricultural productivity, land-use management, conservation, and conflict in the context of decentralization.

C. Public and Private Funding Leveraged

Resource management packages are an important means for farmers and rural communities to contribute towards greenhouse gas reductions. Often, our partners work with NGOs and other community organizations to provide technical inputs and build local capacity and empowerment.

In one Latin American watershed (7000 ha), CIAT is working with community organizations in ways that have led to 52 km of forest buffer zone being established, over 150,000 trees being planted for firewood and reforestation, over 1000 fruit trees planted and several miles of anti-erosion soil conservation barriers. All of these efforts enhance the environmental services available, reduce erosion, and provide people with longer-term time horizons for their own resource management.

D. Institutional Capacity Strengthened

The Global Livestock CRSP helped to train six Central Asian scientists from Turkmenistan, Uzbekistan and Kazakhstan in the technologies for measuring and modeling CO₂ fluxes in Central Asian forest and range lands as potential atmospheric carbon sinks affecting global climate change and agricultural productivity.

ICRAF and CIFOR have both been instrumental in global efforts to reduce losses by forest fire. A very active program of policy dialogue, workshops and range of capacity building activities is increasing the use of policy options that provide constructive disincentives to firing and clearing tropical forests. Good progress is reported in Indonesia, Brazil and several other locations. Both CIFOR and ICRAF make good use of policy and technology networks that build capacity and ultimately favor sustainable use of the forest.

III. Reduced Greenhouse Gas Emissions from the Energy Sector, Industry, and Urban Areas

IV. Other Climate Change Activities

Reference:

1. Lal, R, Kimble JM, Follett RF and Cole CV. The Potential of U.S. Cropland to Sequester Carbon and Mitigate the Greenhouse Effect. 1998. Ann Arbor Press, p. 128
2. CGIAR Doc. No. ICW/99/08/d 1999. Environmental Impacts of the CGIAR: An Initial Assessment

G/EGAD staff have made valiant efforts to complete the GCC spreadsheets. As we go to press, we have not been able complete the spreadsheets in a satisfactory manner. They remain "under construction".

Greater Horn of Africa Initiative

From its inception, the Greater Horn Initiative has featured food security as a critical factor underpinning regional stability and helping to prevent crises. G/EGAD/AFS has been active supporter of the President's Initiative by responding to 3 priorities of IGAD: 1) rinderpest eradication; 2) drought tolerant crops; 3) development of a Regional Integrated Information System (RIIS), 4) environmental monitoring systems; and 5) disaster preparedness. Each of these efforts should help reduce the food insecurity and resource competition in the region.

- In the first area, EGAD has worked with several partners to develop a recombinant vaccine has been developed and is now about to enter the field testing stage. The losses associated with Rinderpest are staggering, and control of the disease would be a huge economic and environmental boon to many areas of the Greater Horn.
- EGAD is also supporting regional efforts to develop drought-tolerant cereals. CIMMYT has, with EGAD support, developed an outstanding new type of maize which is less susceptible to mid- and late-season drought. The new strains, bred in Africa for Africa, can produce 50% higher yields under drought stress than the best locally available materials. Given strong farmer and consumer preference for maize, the new technologies should spread rapidly and help increase household coping capacity in some of the regions poorer areas. INTSORMIL has also helped to provide strategic planning to USAID missions in the region, particularly with respect to drought-resistant cereals.
- EGAD is also helping to develop early-warning systems using livestock and pastoral systems. These involve partnerships among, national, regional and US organizations, and monitor important resource management issues related to conflict prevention. Most notable are livestock emergency preparedness networks (linked to ASARECA and IGAD), RIIS (focussing on a variety of needs), and GIS applications which monitor vegetation quantity and quality as a variable related to drought management. In some cases, this type of data is directly linked to ground-truthing associated with livestock health and forage stocks.
- EGAD works closely with OFDA and GHAI to improve the readiness of counties in the region to deal with drought or other crop failures that threaten seed supplies. EGAD and AFR work with REDSO and other missions to ensure that an integrated system for generating, storing and distributing crop materials is in place. Increasingly, private sector and NGO partners are partners in such efforts. In the GHAI region, special coordinated were carried out in Uganda in 1999 by IITA and several NGOs, to help stop a potential famine associated with failure of the cassava crop in connection with African Cassava Mosaic Virus.

Supplemental Annex

Agency Objective	Former G/EGAD Objectives	Proposed G/EGAD Objectives	Implementer	Funding Source	FY1999 Core	FY2000 Core	FY2001 MC Level	FY2002 MC Level	FY2002 Req. Level
Agency Objective 1.1: Critical Private Markets Expanded and Strengthened	SO3: Appropriate and Functioning Economic Policies, Market Reforms and Institutions are Developed to Accelerate Economic Growth in Emerging Markets and Priority Countries		-SEGIR/FSVC/PEDS-III -Trade		4,728	5,260	15,214	13,600	13,800
				DP	941	930	2,214		
				DP			8,000		
	SOs Total				941	930	10,214	0	0
		SO8: Openness and Competitiveness of Market Economies Promoted	-Proposed New IRs -Trade-related (IR1) -Financial sector (IR2) -Public Sector Management (IR3) -Private Sector (IR4) -Business Linkages (IR5) GTN - System-wide GTN - IESC -Program Support	DP				0	0
								2,000	2,000
								2,000	2,000
								2,000	2,000
								2,000	2,000
								2,800	2,800
								2,500	2,500
				DP				300	500
		SOs Total			0	0	0	13,600	13,800
	SO4: Private Sector Business Linkages Support U.S. Technology Transfer in Support of Development Objectives		-IESC -GTN/Outreach	DP	2,500	2,500	2,500		
				DP	1,287	1,830	2,500		
	SOs Total				3,787	4,330	5,000	0	0
Agency Objective 1.2: More Rapid and Enhanced Agricultural Development & Food Security Encouraged	SO2: Improved Food Availability, Economic Growth, and Conservation of Natural Resources through Agricultural Development	SO9: Productivity, Efficiency, and Sustainability of Agricultural and Food Systems Increased	-CGIAR -CRSP (incls. BASIS) -Input Supply Program -IFDC -CASP -PFID -ABSP -FS-II -APAP -RAISE -Program Support -BIFAD -Improved Animal Vaccine -Child Survival Initiative -Dairy Directive -Utah State Directive		48,344	56,000	53,775	53,750	59,500
				DP	20,449	25,000	25,000	25,000	25,000
				DP	18,050	20,050	20,050	20,050	22,050
									3,000
				DP	2,100	2,000	2,000	2,000	
				DP	250	0	0	0	
				DP	0	1,000	1,675	1,500	1,500
				DP	869	1,000	1,000	2,000	2,000
				DP	527	400	400	400	400
				DP	250	250	250	0	0
				DP	173	150	150	150	300
				DP	2,801	1,500	2,100	1,500	1,500
				DP	[150]	150	150	150	250
				DP	875	0	0	0	0
				CS	2,000	0	0	0	0
				DP	0	3,500	1,000	1,000	3,500
				DP	0	1,000	0	0	0
	SOs Total				48,344	56,000	53,775	53,750	59,500

Agency Objective 1.3: Access to Economic				11,852	737	0	4,639	6,850	
Opportunity for the Rural and Urban Poor Expanded and Made More Equitable	SO1: Improved Access to Financial and Business Development Services, Particularly to the Microenterprises of the Poor		-Microserve/Chemonics/IGPs/AIMS	DP/FSA/SEEI	11,852	[11,500]	0	0	0
			-MSED	PJ	[1500]	[1500]			
				DP	[279]	737			
			SOs Total			11,852	737	0	0
SO10: Poverty Reduction Policies and Services Enhanced									
			-Fin/BDS Services to Microenterprises of the Poor		0	0	0		6,850
			-MIP/MIP II	DP				2,989	4,000
			-Programs and Policies for Poverty Reduction						
			-APAP					350	350
			-SEGIR	DP				1,000	2,000
			-Program Support	DP				300	500
SOs Total					0	0	0	4,639	6,850
					11,500	4,500	3,500	2,500	2,500
SpO1: Increased Science and Technology Cooperation Among Middle Eastern & Developing Countries & Utilization of US and Israeli Technical Expertise by Developing Countries	SpO11: Increased Technical Cooperation Among Middle Eastern, Developing Countries and the US	-MERC	ES	6,000	[10000]	[5000]	[10000]	[10000]	
		-CDR	DP	1,500	1,500	1,500	1,500		
		-CDP	DP	4,000	3,000	2,000	1,000	1,000	
		SpOs Total			11,500	4,500	3,500	2,500	2,500
CORE TOTALS:					76,424	66,497	72,489	74,489	82,650